

PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement” or “Settlement”) is made by and between Plaintiff **MARCO SEGOVIA SANCHEZ** (“Plaintiff”), individually, and on behalf of all other aggrieved employees (the “Aggrieved Employees,” as described below), and as a private attorney general on behalf of the State of California pursuant to Labor Code section 2699, *et seq.*, the California Private Attorneys General Act (“PAGA”) on the one hand, and Defendant **SHELTER ISLAND, INC.** dba Bali Hai Restaurant (“Defendant”), on the other hand. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

This Agreement, and the settlement embodied herein, shall be binding on Plaintiff, the Aggrieved Employees he represents, and Defendant, subject to the approval of the Court.

WHEREAS, on February 2, 2024, Plaintiff filed a class action complaint in the Superior Court of California, San Diego County entitled *Segovia v. Shelter Island, Inc.*, Case No. 37-2024-00005168-CU-OE-CTL (the “Lawsuit”). On April 10, 2024, Plaintiff filed his First Amended Complaint adding a case of action for civil penalties under the California Private Attorneys General Act (“PAGA”) (“Complaint”). Shortly after filing the complaint, Defendant notified Plaintiff’s counsel of an arbitration agreement with a class action waiver signed by Plaintiff. Prior to filing the PAGA settlement approval motion, Plaintiff intends to file an application to dismiss Plaintiff’s class claims one through seven against Defendant without prejudice since the Parties have reached a resolution to settle claims alleged under the eighth cause of action for civil penalties under PAGA. The settlement between the Parties has been reached regarding the representative PAGA claims for civil penalties payable to himself, other aggrieved employees, and the State of California pursuant to PAGA, based on allegations that Defendant: (1) failed to pay all wages due; (2) failed to provide meal periods; (3) failed to authorize and permit rest breaks; (4) failed to timely pay final wages at termination; (5) failed to furnish accurate itemized wage statements; (6) failed to reimburse necessary business expenses. Specifically, the PAGA Claims are claims for civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* (“PAGA”) based upon the allegations of Defendant’s conduct set forth in Plaintiff’s pre-filing PAGA notice letter filed with the State of California Labor and Workforce Development Agency (“LWDA”). The applicable PAGA Notice related to the Lawsuit is attached hereto as **Exhibit A** (all of the foregoing is collectively referred to as Plaintiff’s “PAGA Claims”).

WHEREAS, Plaintiff timely sent notice to the LWDA of his intent to pursue representative actions pursuant to PAGA, on behalf of himself, other aggrieved employees, and the State of California as well as on behalf of a group of aggrieved employees (the notice by Plaintiff to the LWDA is collectively referred to as the “PAGA Notice” herein). The LWDA declined to investigate the alleged violations, and Plaintiff filed the First Amended Complaint in the Lawsuit.

WHEREAS, during the pendency of the Lawsuit, the Parties conducted significant investigation of the facts and law and engaged in an informal discovery exchange prior to mediation. In response to Plaintiff’s Counsel’s informal discovery requests, Defendant provided Plaintiff’s Counsel with information and documents pertaining to Plaintiff and the Aggrieved Employees, and the claims in the Lawsuit, including time punch and payroll data, and employee handbooks and policies, to provide Plaintiff’s counsel the opportunity to investigate Plaintiff’s allegations and the PAGA claims.

WHEREAS, on September 30, 2024, the Parties attended a full day mediation with wage-and-hour mediator Kevin T. Barnes, Esq.. As a result, the Parties agreed to settle Plaintiff's representative PAGA claims, taking into account all known facts and circumstances including the difficulty of proving some of Plaintiff's claims, potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate issues.

WHEREAS, the Parties acknowledge that this Agreement is a compromise of highly disputed claims and that nothing in this Agreement is intended to be construed as an admission by Defendant of any wrongdoing or liability or that Plaintiff's claims have merit. Specifically, Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit and the PAGA Notice.

WHEREAS, the Parties believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the PAGA Claims, and have arrived at the settlement after extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

WHEREAS, California Labor Code § 2699(k)(2) requires Court review and approval of any settlement of a civil action filed pursuant to PAGA.

WHEREAS, based on their own independent investigations and evaluations, Defendant and Plaintiff and their respective counsel are of the opinion that the amount and terms of the Settlement are fair, reasonable, and adequate and are in the best interests of the Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, counsel for Plaintiff and the Aggrieved Employees believes that the settlement amount entered into is in the best interests of the Aggrieved Employees and that the settlement for each Aggrieved Employee is fair, reasonable, and adequate, given the inherent risk of litigation.

WHEREAS, the Parties recognize that in accordance with Labor Code section 2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. *See also Mendoza v. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) ("PAGA authorizes a representative action without the need for class certification"); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) ("a PAGA suit is fundamentally different than a class action" in that PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action); *Williams v. Sup. Ct.*, 3 Cal. 5th 531, 546-47 (2017) ("PAGA does not make other potentially aggrieved employees parties or clients of plaintiff's counsel, does not impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff or counsel to scrutiny with respect to the ability to represent a large class").

Therefore, in consideration of the promises and agreements contained herein, and to avoid the uncertainty, risks, costs, and delays associated with further litigation, the Parties agree and covenant as follows:

1. Effective Date. The effective date ("Effective Date") of this Agreement of this Agreement shall mean the date of entry of the order of the Court approving this Agreement and the PAGA Settlement.

2. **Aggrieved Employees and PAGA Period.** For purposes of this Settlement, the Aggrieved Employees are defined as: “All non-exempt employees who worked for Defendant in California during the PAGA Period.” The PAGA Period is the period from February 2, 2023 through the date of entry of order for PAGA settlement approval or 60 days after September 30, 2024, whichever is earlier.

3. **PAGA Released Claims/Effect of Judgment on Aggrieved Employees and LWDA.**

The Parties agree and acknowledge that, to the maximum extent permitted by law, the final judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the Lawsuit had been brought by the LWDA, including Plaintiff, the LWDA, and the Aggrieved Employees, with respect to the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* as against Defendant and each of its past or present owners, officers, directors, employees, agents, shareholders, employees, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers (collectively, the “Released Parties”). It is expressly understood and agreed that this settlement effects a full release of the PAGA claims for civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* (“PAGA”) based upon the allegations of Defendant’s conduct set forth in Plaintiff’s pre-filing PAGA notice letter filed with the LWDA attached as **Exhibit A** upon the Effective Date and full funding of the Gross Settlement amount (all of the foregoing are collectively referred to as “Released PAGA Claims”). With the exception of Plaintiff, who is providing a general release of all claims, this settlement shall not impact aggrieved employees’ ability to assert claims (claims for wages and other damages) other than the PAGA claims being released by this Settlement.

4. **Plaintiff’s Released Claims:** Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all charges, complaints, claims and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected (hereinafter “claims”) which Plaintiff at any time had or claimed to have or which Plaintiff may claim to have regarding events that have occurred as of the date Plaintiff signs this Agreement, including, without limitations, any and all claims related or in any manner incidental to Plaintiff’s employment with Defendant. Plaintiff expressly waives any rights or protection she may have under California Civil Code section 1542, which provides: “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.” As a sole exception to the foregoing, Plaintiff’s Release does not apply to: (i) wrongful termination and discrimination claims alleged in a separate matter entitled *Segovia v. Shelter Island, Inc.*, San Diego County Superior Court, Case No. 37-2024-00002817-CU-OE-CTL which are being released pursuant to a separate individual settlement and release agreement, (ii) claims alleged in a separate claims or actions to enforce this Agreement or for breach of this Agreement; (iii) claims premised upon vested rights Plaintiff may have under Defendant’s ERISA-covered employee benefit plans; and (iv) claims that may not be released by private settlement, such as claims for unemployment benefits, state-sponsored disability benefits, social security benefits, or workers’ compensation benefits.

5. **Notice to LWDA.** Pursuant to California Labor Code § 2699(k)(2), Plaintiff shall submit to the LWDA a copy of this Agreement at the same time that it is submitted to the Court for approval.
6. **No Right to Opt Out.** The parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude him or herself or their selves from the Settlement.
7. **Total Maximum Settlement Amount.** Defendant agrees to pay, in accordance with the terms set forth herein, the total sum of **One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00)** as the non-reversionary total maximum settlement amount (the “Maximum Settlement Amount”) in full settlement of the Lawsuit. The Maximum Settlement Amount, which represents the total amount payable under this Settlement by Defendant (subject to the Escalator Clause described below). The Parties agree that the following amounts should be subtracted from the Maximum Settlement Amount, if approved by the Court, will be allocated as follows:
- a. PAGA Counsel’s attorneys’ fees request of up to 33 1/3% of the Gross Settlement Amount (\$60,000) (“PAGA Counsel’s Fees”) and PAGA Counsel’s separate request for reasonable litigation costs incurred in this matter (“PAGA Counsel’s Costs”) not to exceed \$18,000.00. Defendant will not oppose these requests. To the extent that the Court approves less than the amount of attorney’s fees and costs that PAGA Counsel requests, any reduced amount shall revert to the PAGA Fund.
 - b. Administration costs estimated not to exceed \$10,000.00 to be paid to the Settlement Administrator (“Administration Costs”). If the Parties’ estimated administration fees are too little, it can be adjusted and shall be paid from the Gross Settlement. If the actual administration fee is less than the Parties’ estimated administration fees, the difference between the actual and estimated administration fees will revert to the PAGA Fund;
 - c. General Release Payment to Plaintiff in exchange for his providing a General Release in the amount of \$5,000.00 and for representing the Aggrieved Employees; and
 - d. The remainder of the Gross Settlement Amount (the “PAGA Fund” or “Net Settlement”) after deducting items (a), (b) and (c) shall be designated as PAGA Penalties to be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75% paid to the LWDA (the “LWDA PAGA Portion”) and 25% paid to the Aggrieved Employees (the “Aggrieved Employees’ PAGA Portion”) on a pro-rata basis as set forth in Paragraph 9 below.
8. **Allocation Adjustment.** The parties agree that should the Court deny approval of the proposed Settlement on the terms set forth herein they will renegotiate in good faith in an effort to address the Court’s concerns and obtain approval of the settlement.
9. **Allocation and Calculation of the PAGA Penalties.** Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis. Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the PAGA Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved Employee’s payment from the Aggrieved Employees’ PAGA Portion,

Defendant will use the following formula: Settlement Payment = Aggrieved Employees' PAGA Portion × [Pay Periods Worked by Individual Aggrieved Employee during the PAGA Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the PAGA Period].

10. **Escalator Clause:** This settlement is based on Defendant's representation that from February 2, 2023 through September 30, 2024, there were approximately 4,547 pay periods worked by the PAGA Group ("Qualifying Pay Periods"), wherein the alleged aggrieved employees performed work. This estimate serves as the basis for Plaintiff's accepting the Maximum Settlement Amount. If the number of actual pay periods during the PAGA period exceeds 10% of the Qualifying Pay Periods (i.e., exceeds 5,002 pay periods), Defendant shall increase the Maximum Settlement Amount by a pro-rata dollar value equal to the number of pay periods in excess of 5,002 pay periods. For example, if there is a 1% increase over 10% then the Maximum Settlement Amount increases by 1%. Aside from the terms set forth in this paragraph, under no circumstances will Defendant be required to pay any additional monies in order to receive the release of claims as set forth herein.

11. **Tax Treatment of Settlement Amounts.** The General Release Payment to Plaintiff constitute payments for non-wages, shall be reported on an IRS Form 1099, and shall not be subject to local, state or federal tax withholdings by Defendant. With regard to settlement payments to Aggrieved Employees, IRS Form 1099s will be issued by the Settlement Administrator, if applicable. IRS Form 1099s are used for payments of miscellaneous income that is not considered wages, such as the penalty payments at issue in this Settlement. The individual PAGA payments to Aggrieved Employees are penalties, shall be reported on an IRS Form 1099 (to the extent required by law), and will not be subject to local, state or federal tax withholdings. Plaintiff and each PAGA Aggrieved Employee will be responsible for paying all applicable state, local and federal income taxes on all amounts received pursuant to this Settlement, and they shall not seek any indemnification from the Defendant in this regard. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Defendant, their counsel and Plaintiff's and the Aggrieved Employees' counsel are not responsible for any employee tax obligations regarding the allocation of the settlement payments. Payment of the portion allocated to PAGA Counsel's fees and costs will be reflected in a Form 1099 to PAGA Counsel, who shall assume full responsibility and liability for the payment of taxes due on such payments.

Plaintiff and his agents shall cooperate with Defendant and provide documentation to the extent possible and as reasonably requested to demonstrate any payment of taxes made by Plaintiff should any taxing authority challenge the allocation of the PAGA payments or General Release Payment to Plaintiff.

In the event any taxing authority asserts that the characterization of Plaintiff's Settlement Payments hereunder are inappropriate and/or Plaintiff fails to pay any tax liability resulting from the payments made hereunder, and Defendant is made to pay any taxes, settlements, interest, penalties, and/or other sums (hereinafter collectively referred to as "Tax Payments") to a taxing authority as a result of the payments made to Plaintiff, Plaintiff shall fully indemnify and reimburse Defendant for any and all such Tax Payments upon demand and reasonable verification of sums paid.

12. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

13. **PAGA Settlement Payment Procedures.**

- a. Within thirty (30) calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount or \$180,000.00 with the Settlement Administrator. Within fourteen (14) calendar days of the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees with each listed employee’s full name, last known mailing address, last known telephone number, social security number, the actual number of compensable pay periods worked by him or her during the PAGA Period. The Settlement Administrator shall establish a Qualified Settlement Fund Escrow Account, prepare, administer, and distribute settlement checks to the Aggrieved Employees, including necessary tax forms (W2 and/or 1099), calculate and withhold all applicable state and federal taxes, should any disbursements be returned to Settlement Administrator as undeliverable the Settlement Administrator will attempt to locate an update address using the NCOA database and/or other skip trace efforts and will remail undelivered mail within ten (10) days of receiving notice that a notice was undeliverable, perform any other usual and customary duties for administering this Settlement.
- b. Within fourteen (14) calendar days from the date the Gross Settlement Amount has been deposited with the Settlement Administrator as well as the information provided in Paragraph 13 (a), the Settlement Administrator shall:
 - i. Distribute a total of Twenty-Five percent (25%) of the PAGA Fund to the Aggrieved Employees, along with the Notice of PAGA Representative

Action Settlement (attached hereto as **Exhibit B**). Aggrieved Employees shall not be required to make claims to receive their share of the PAGA settlement. The payment checks shall be sent to each Aggrieved Employee by U.S. First Class mail to the Aggrieved Employee's last known mailing address with directions to the Postmaster to forward the payment checks and return all undeliverable payment checks to the Settlement Administrator. It will be conclusively presumed that an Aggrieved Employee's individual settlement payment check was received if the payment check has not been returned within thirty (30) days of the original mailing. All uncashed settlement checks shall be sent to the California State Controller's Unclaimed Property division.

- ii. Distribute a total of Seventy-Five percent (75%) of the PAGA Fund to the LWDA.
 - iii. Distribute PAGA counsel's fees and costs, as approved by the Court.
 - iv. Distribute payment to itself for services as Settlement Administrator, as approved by the Court.
 - v. Distribute the General Release Payment to Plaintiff.
- c. Settlement Checks issued to Aggrieved Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are mailed by the Settlement Administrator. All money represented by uncashed settlement checks shall be sent by the Settlement Administrator to the California State Controller's Unclaimed Property division in the name of the individual(s) who did not negotiate a settlement check during the negotiation period.
 - d. The Parties and their counsel shall not bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

14. **Settlement Administrator.** The Settlement Administrator shall be responsible for sending notices, calculating settlement payments, preparing all checks and mailings, and complying with all requirements set forth herein. As noted above, the costs of the Settlement Administrator shall be paid out of the Gross Settlement Amount, and the Parties agree to use Simpluris, Inc. as the Settlement Administrator.

15. **Duties of the Parties Related to Approval.** Promptly upon execution of this Agreement, Plaintiff shall file an application to dismiss class claims and a motion for approval of the proposed Settlement and for the entry of an order approving this Settlement as required by Labor Code section 2699(l).

The approval motion will request Court approval of the following: (1) the terms of this Agreement, (2) PAGA Counsel's Fees and PAGA Counsel's Costs, (3) payments to Aggrieved Employees and the LWDA, (4) payment of General Release Payment to Plaintiff; (5) payment to the Settlement

Administrator, and (6) Final Judgment. In conjunction with the approval motion, Plaintiff shall submit a proposed Final Judgment to the Court.

The Parties will cooperate in seeking approval of the Settlement, including Plaintiff filing a Motion for an Order Approving the Settlement Agreement (the "Motion"). Pursuant to PAGA, on the date the Parties file the Motion, Plaintiff will submit this Agreement to the LWDA. At the hearing on the Motion, the Parties will jointly appear and will support the granting of the Motion. Should the Court decline to approve all material aspects of the Settlement or order material changes to the Settlement to which the Parties do not agree, the Parties will meet and confer to address the Court's concerns and determine whether resolution of the Lawsuit can be obtained in a manner consistent with the Court's concerns. An award by the Court of lesser amounts than sought for the Plaintiff's General Release Payment and/or Plaintiff's Counsel Fees and Expenses Payment will not be considered a material change to the Settlement.

16. **Waiver of Right to Appeal.** Provided that the Order and Judgment is consistent with the material terms of this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Order and Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Order and Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken, the time for consummating the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Order and Judgment becomes final.

17. **Interim Stay of Proceedings.** The Parties agree to refrain from further litigation of this matter, except such proceedings necessary to implement and obtain Final Judgment.

18. **Non-Admission of Wrongdoing.** The Parties agree that this Agreement does not constitute an admission by Defendant or any Released Party, of any of the matters alleged in the Lawsuits or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. Neither this Agreement nor anything in this Agreement shall intended to be, construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or the Released Parties.

Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, or has any liability to anyone under the claims asserted in the Lawsuit. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendant, or an admission by Plaintiff that any of their claims were non-meritorious or any defense asserted by Defendant was meritorious. This Settlement and the fact that Plaintiff and Defendant were willing to settle the Lawsuit will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

Whether or not the Order and Judgment becomes final, nothing in the Settlement, any document, statement, proceeding or conduct related to the Settlement, or any reports or accounting of those

matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Lawsuit, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement.

This section and all other provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

19. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Agreement will not constitute a waiver of any other provision.

20. **Covenants and Representations.** Plaintiff represents and warrants he has not assigned or transferred or purported to assign or transfer, to any person or entity, any claim, right, liability, demand, obligation, expense, action, or causes, or portion thereof, or interest therein, which is or may be subject to this Settlement. Plaintiff acknowledges he has read this Settlement, fully understands his rights, privileges, and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges he had the opportunity to consult with his attorney to explain the terms of this Settlement and the consequences of signing this Settlement.

21. **Termination of Settlement.** If the Court does not approve the Settlement or does not enter judgment as provided for in this Settlement or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, the Parties will meet and confer to address the Court's concerns and determine whether resolution of the Lawsuit can be obtained in a manner consistent with the Court's concerns. The meet and confer process will not exceed thirty (30) days. An award by the Court of lesser amounts than sought for the Plaintiff's General Release Payment and/or Plaintiff's Counsel Fees and Expenses Payment will not be considered a material change to the Settlement. If after the meet and confer process ends and no resolution is reached, either of the Parties shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement, in which case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement. The Party that elects to terminate the Settlement shall pay the Settlement Administrator its costs through the date of termination.

22. **Confidentiality Preceding Approval.** Prior to filing of the Motion, Plaintiff will not issue any press or other media releases or have any communication with the press or media or anyone other than financial advisors, retained experts, the LWDA and vendors related to settlement administration, regarding the Settlement. This section does not bar Plaintiff's Counsel from carrying out their duties as counsel to Plaintiff for the LWDA. Nothing in this Agreement shall limit Plaintiff's Counsel's ability to discuss the terms of the Settlement with the Court, State of

California, or PAGA Settlement Group Members nor restrict Plaintiff's Counsel from including publicly available information regarding this Settlement on LWDA website or in future judicial submissions regarding Plaintiff's Counsel's qualifications and experience.

23. **Enforcement.** The Parties agree that following entry of the Final Judgment, this Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction of the Lawsuit over all parties and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Agreement pursuant to California Code of Civil Procedure section 664.6. In the event that one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorney's fees and costs incurred in connection with any enforcement actions.

24. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees, and other fees incurred in connection with this Settlement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

25. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts and writings prior to the date hereof relating to the subject matters hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either Party. This is a fully integrated agreement. No other promises or agreements shall be binding or shall modify this Agreement unless in writing and signed by the Parties. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

26. **Severability.** If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or application, and to this end, the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable Released Party.

27. **No Construction Against the Drafter.** Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party on the basis that the Party was the drafter.

28. **Choice of Law.** This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to principles of conflict of laws.

29. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiff:

TUNYAN LAW, APC

Lilit Tunyan, Esq.
Artur Tunyan, Esq.
535 N. Brand Blvd., Suite 285
Glendale, California 91203
Telephone: (323) 410-5050
ltunyan@tunyanlaw.com
atunyan@tunyanlaw.com

THE SENTINEL FIRM, APC

Seung Yang, Esq.
Tiffany Hyun, Esq.
445 S. Figueroa St., Suite 2230
Los Angeles, CA 90071
Telephone: (213) 985-1150
sueng.yang@thesentinel firm.com
Brett.gunther@thesentinel firm.com

To Defendant:

WILSON ELSEER MOSKOWITZ EDELMAN & DICKER LLP

Bruno W. Katz, Esq.
Abbey M. Jahnke, Esq.
401 West A Street Suite 1900
San Diego, CA 92101
Telephone: 619.321.6200
bruno.katz@wilsonelser.com
abbey.jahnke@wilsonelser.com

29. **Counterparts**. This Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

30. **Cooperation**. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

31. **Electronic Signature**. Each Party specifically agrees that an electronic signature shall have the same force and effect as a signed original of the Agreement, and that the Parties may use DocuSign, an electronic signature technology, to expedite the execution of this Agreement pursuant to California Civil Code Section 1633.7.

Dated: 01 / 17 / 2025

MS

Plaintiff MARCO SEGOVIA SANCHEZ

Dated:

Defendant SHELTER ISLAND, INC.

By:

Its:

Dated: 01 / 17 / 2025

TUNYAN LAW, APC

By:



Lilit Tunyan

Artur Tunyan

Attorneys for Plaintiff MARCO SEGOVIA SANCHEZ
and Aggrieved Employees

Dated: 01 / 17 / 2025

THE SENTINEL FIRM, APC

By:



Seung Yang

Tiffany Hyun

Attorneys for Plaintiff MARCO SEGOVIA
SANCHEZ and Aggrieved Employees

Dated:

WILSON ELSEER MOSKOWITZ EDELMAN & DICKER LLP

By:

Bruno W. Katz

Abbey Jahnke

Attorneys for Defendant SHELTER ISLAND, INC.

Dated: 01 / 17 / 2025

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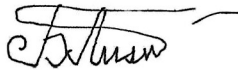
Plaintiff MARCO SEGOVIA SANCHEZ

Dated: 01 / 21 / 2025


Defendant SHELTER ISLAND, INC.

By: Tom Baumann
Its: Vice President

Dated: 01 / 17 / 2025 TUNYAN LAW, APC

By: 
Lilit Tunyan
Artur Tunyan

Attorneys for Plaintiff MARCO SEGOVIA SANCHEZ
and Aggrieved Employees

Dated: 01 / 17 / 2025 THE SENTINEL FIRM, APC

By: 
Seung Yang
Tiffany Hyun

Attorneys for Plaintiff MARCO SEGOVIA
SANCHEZ and Aggrieved Employees

Dated: 1/21/2025 WILSON ELSE MOSKOWITZ EDELMAN & DICKER LLP

By: 
Bruno W. Katz
Abbey Jahnke

Attorneys for Defendant SHELTER ISLAND, INC.

Exhibit “A”



535 N Brand Blvd. Suite 285
Glendale, CA 91203
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ltunyan@tunyanlaw.com

February 2, 2024

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL

Return Receipt Requested

Agent for Service of Process for
Shelter Island, Inc.
Susan H Baumann
2230 Shelter Island Dr.
San Diego, California 92106

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

Re: Segovia v. Shelter Island, Inc.

To Whom It May Concern:

Please be advised that The Sentinel Firm, APC has been retained by Marco Segovia Sanchez ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer Shelter Island, Inc. ("Defendant"). Pursuant to the joint prosecution and fee sharing agreement entered between Tunyan Law, APC and The Sentinel Firm, APC and Plaintiff's written consent to joint prosecution and fee sharing agreement, Tunyan Law, APC and The Sentinel Firm, APC will be jointly prosecuting Plaintiff's action against Defendant. The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which Plaintiff alleges Defendant engaged in with respect to Plaintiff and all of Defendant's aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of himself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including San Diego County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff worked for Defendant as a waiter in San Diego. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week and over 8 hours each workday and over 11 hours on Saturdays.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory time period, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all hours worked. Throughout the statutory period, Defendant maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to perform work "off-the-clock". Plaintiff and the Aggrieved Employees waited in line to clock in to work but were not compensated for that time. Additionally, Plaintiff and the Aggrieved Employees were also required to wash their heavily soiled uniforms after the scheduled shift hours. Starting approximately from March 2020 Defendant required Plaintiff and the Aggrieved Employees to undergo COVID pre-screening prior to clocking in to work but failed to compensate for that time. In maintaining a practice of not paying all wages owed,

Defendant failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. In doing so, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Plaintiff and the Aggrieved Employees would often times miss or have late, interrupted or short meal periods. Defendant also failed to provide a break room to Plaintiff and the Aggrieved Employees for taking their meal and rest breaks. Most importantly, Plaintiff and the Aggrieved Employees have never been authorized or taken their second meal periods when they worked more than ten hours during one shift. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours).

Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Plaintiff and the Aggrieved Employees would almost always miss or have interrupted rest periods. Defendant also failed to provide a break room to Plaintiff and the Aggrieved Employees for taking their meal and rest breaks. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic

enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred as a direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement. Plaintiff and the Aggrieved Employees were required to use their personal vehicles to drive to the grocery stores to purchase groceries for Defendant but were not reimbursed for mileage. Plaintiff and the Aggrieved Employees were also required to wash and maintain their uniforms at their own expense. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay to Plaintiff and the Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72)

hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time, missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. Lab. Code § 226(e)(2)(B)(iii).

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." Lab. Code § 226(e)(1).

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to list Defendant's correct legal entity name and address, the failure to correctly list gross wages earned, the failure to correctly list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and

permitted to take in accordance with California law, and correct wages earned for all hours worked. Additionally, Defendant failed to provide Plaintiff and the Aggrieved Employees access to their semi-monthly wage statements.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Lab. Code § 204(a). The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period. Lab. Code § 204(d).

Throughout the statute of limitations period applicable to this cause of action, employees were also entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements;
8. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 558, 1174.5, 1197.1, 2802, 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address and address of the agent for service as indicated on the first page.

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of Defendant or any additional facts, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



Lilit Tunyan, Esq.
TUNYAN LAW, APC

Exhibit “B”

[Mailing Date]

NOTICE OF SETTLEMENT

Name
Address

Segovia v. Shelter Island, Inc.
San Diego County Superior Court, Case No. 37-2024-00005168-CU-OE-CTL

Dear NAME:

You are receiving the enclosed check in connection with the settlement of a lawsuit entitled *Segovia v. Shelter Island, Inc.*, San Diego County Superior Court, Case No. 37-2024-00005168-CU-OE-CTL. In that lawsuit, Mr. Marco Segovia Sanchez pursued various claims against Shelter Island, Inc. dba Bali Hai Restaurant (“Defendant” or the “Bali Hai”) under Labor Code § 2699 *et seq.*, the California Private Attorney General Act on behalf of non-exempt employees of the Bali Hai who worked for the Bali Hai in California between February 2, 2023 and November 29, 2024 (“PAGA Settlement Members”) and on behalf of the State of California. **The Bali Hai denies all of the allegations and liability for any claims in this case and specifically denies that its practices were non-compliant or that it owes any unpaid wages or penalties.**

The enclosed check is your share of the settlement calculated on a pro-rata basis based on the number of pay periods you worked for Defendant. Your settlement amount represents civil penalties and will be reported on an IRS Form 1099¹. Your check is valid for 180 days from the date of mailing. Funds attributable to any uncashed check will be sent to the California State Controller’s Unclaimed Property division, in the name of the PAGA Settlement Member.

The Settlement releases claims that arose under the Private Attorneys General Act (“PAGA”) based on the facts alleged in the lawsuit. The Settlement does not affect any other type of claim. There is no statutory right for PAGA Settlement Members to opt out or otherwise exclude themselves from this Settlement.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

¹ One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences, if any, of your individual PAGA payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your Individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Title	Segovia v. Shelter Island, Inc. - Acuerdo De Solucion
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Document ID	f2a42bd7288ba031741f8dd5969b348ba80b7907
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



01 / 17 / 2025
23:54:15 UTC

Sent for signature to Marco Segovia (marcopolomusica@hotmail.com), Seung Yang (seung.yang@thesentinfirm.com) and Lilit Tunyan (ltunyan@tunyanlaw.com) from seung.yang@thesentinfirm.com
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01 / 18 / 2025
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01 / 18 / 2025
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01 / 18 / 2025
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01 / 18 / 2025
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Status	● Signed

Document History



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01 / 18 / 2025
00:06:32 UTC

The document has been completed.