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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

REY PARDILLO, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

ELMA ELECTRONIC INC., a Delaware
corporation; and DOES 1 through 100,
inclusive,

Defendants.

REY PARDILLO, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

vs.

ELMA ELECTRONIC INC., a Delaware
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No. 24CV078295
(Consolidated with Case No. 24CV085186)

Honorable Chad Stegeman
Department 17

CLASS ACTION

**DECLARATION OF RYAN SLINGER IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Hearing Date: October 1, 2026
Hearing Time: 3:00 p.m.
Department: 17

Complaint Filed: June 3, 2024
FAC Filed: July 29, 2024
Trial Date: None Set

DECLARATION OF RYAN SLINGER

I, Ryan Slinger, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Rey Pardillo (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On March 29, 2024, Plaintiff provided written notice by electronic upload to the California Labor and Workforce Development Agency (“LWDA”) and Defendant Elma Electronic, Inc. (“Defendant”) of the specific provisions of the California Labor Code that were alleged to be violated (“PAGA Notice”). Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of Plaintiff’s PAGA Notice.

3. On June 3, 2024, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, Cal. Lab. Code § 2698, *Et Seq.* in the Superior Court for the County of Alameda, thereby commencing the above-captioned lawsuit (“PAGA Action”).

4. On July 29, 2024, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Rey Pardillo v. Elma Electronic, Inc.*, in the Superior Court for the County of Alameda, Case No. 24CV085186 (“Class Action”) (together with the PAGA Action, the “Actions”).

5. On July 29, 2024, Plaintiff sent an amended letter to the LWDA and Defendant to correct Plaintiff’s dates of employment (“Amended PAGA Notice”) (together with the PAGA Notice, the “PAGA Notices”). Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of Plaintiff’s Amended PAGA Notice.

6. On July 29, 2024, Plaintiff filed a First Amended Complaint for Enforcement Under the Private Attorneys General Act, Cal. Lab. Code § 2698, *Et Seq.* in the PAGA Action to reflect Plaintiff’s corrected dates of employment.

7. On August 8, 2025, the Parties filed the Joint Stipulation to Consolidate Case Numbers 24CV078295 and 24CV085186; [Proposed] Order Thereon. On August 11, 2026, the

1 Court issued an Order to Consolidate the Actions, and assigning the PAGA Action as the lead
2 action.

3 **THE PROPOSED SETTLEMENT**

4 8. Marked and attached hereto as “**EXHIBIT 3**” is a true and correct copy of the Joint
5 Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement,” or
6 “Settlement Agreement”) entered into by and between Plaintiff, individually and on behalf of all
7 others similarly situated and other aggrieved employees, on the one hand, and Defendant, on the
8 other hand (together, the “Parties”). The Parties and their counsel have approved the Notice of
9 Class Action and PAGA Settlement and Release (“Class Notice”), which is attached to the
10 [Proposed] Order Granting Preliminary Approval of Class Action and PAGA Settlement as
11 “Exhibit A”, and respectfully requests that the Court approve it as well.

12 9. The Settlement provides for a Gross Settlement Amount of \$900,000.00 to be paid
13 in a single payment on a non-reversionary basis. The Net Settlement Amount is the Gross
14 Settlement Amount less the following amounts, subject to approval by the Court: Attorneys’ Fees
15 of up to \$315,000.00 (if the Gross Settlement Amount remains \$900,000.00) and Costs not to
16 exceed \$25,000.00 to Class Counsel, Enhancement Payment to Plaintiff of \$10,000.00, Settlement
17 Administration Costs to the Settlement Administrator not to exceed \$7,000.00, and the PAGA
18 Amount of \$135,000.00. Assuming that the amounts allocated under the Settlement toward these
19 payments are awarded by the Court, the Net Settlement Amount that will be available for
20 distribution to Settlement Class Member is currently \$408,000.00. Additionally, 25% of the
21 PAGA Amount (i.e., PAGA Employee Amount), which is \$33,750.00 out of \$135,000.00, will be
22 distributed to the PAGA Members, for their respective portion of the PAGA Employee Amount.
23 The Gross Settlement Amount will be fully distributed in accordance with the terms of the
24 Settlement and there is no reversion to Defendant.

25 10. The Settlement Agreement provides for Class Counsel to apply for attorneys’ fees
26 in an amount of up to 35% of the Gross Settlement Amount (i.e., \$315,000.00, if the Gross
27 Settlement Amount remains \$900,000.00) and expenses and costs of not more than \$25,000.00,
28 which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should

1 be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive
2 any compensation until recovery is obtained. A description of the qualifications of Class Counsel,
3 the work performed by Class Counsel, and the results achieved by Class Counsel in this matter can
4 be found in paragraphs 18 through 28, *infra*.

5 11. The Settlement Agreement provides for payment of up to \$10,000.00 to Plaintiff as
6 an Enhancement Payment, to be paid out of the Gross Settlement Amount subject to approval by
7 the Court. Plaintiff spent considerable time and effort to produce relevant documents and past
8 employment records and to provide the facts and evidence necessary to attempt to prove the
9 allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain
10 information that would benefit the Class. Accordingly, it is appropriate and just for Plaintiff to
11 receive an Enhancement Payment, in addition to his individual settlement payment, for his services
12 on behalf of the Class, PAGA Members, and the State of California.

13 12. The Parties have agreed to retain ILYM Group, Inc., ("Settlement Administrator")
14 to handle the notice and settlement administration process. The Parties respectfully request that the
15 Court appoint ILYM Group, Inc. to handle these procedures and serve as the Settlement
16 Administrator. Defendant will provide the Settlement Administrator with the Class List, and the
17 Settlement Administrator will calculate each Class Member's estimated share of the Net
18 Settlement Amount ("Individual Settlement Share") and each PAGA Member's estimated *pro rata*
19 share of the 25% portion of the PAGA Amount. The Settlement Administrator will be responsible
20 for printing, distributing, and tracking Class Notices and other documents for the Settlement,
21 calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS
22 Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary
23 reports and declarations, transmitting funds representing uncashed checks after the void date to
24 United Way ("Proposed *Cy Pres* Recipient"), and other duties and responsibilities set forth to
25 process the Settlement, and as requested by the Parties. Settlement Administration Costs are
26 currently estimated not to exceed \$7,000.00 and will be paid out of the Gross Settlement Amount,
27 subject to approval of the Court.

28 13. Under the Settlement Agreement, Defendant is responsible for any employer-side

1 tax obligations associated with the Gross Settlement Amount and will deposit that amount into the
2 settlement fund in addition to the Gross Settlement Amount. Each Settlement Class Member's
3 Individual Settlement Share will be allocated 33.33% to wages and 66.67% to penalties, interest,
4 and non-wage damages. The Settlement Administrator will withhold the employee's share of taxes
5 and withholdings with respect to the wages portion of the Individual Settlement Shares.

6 **CONDITIONAL CERTIFICATION OF THE PROPOSED CLASS IS APPROPRIATE**

7 14. **Ascertainability:** The proposed Class is defined as all current and former non-
8 exempt employees who worked for Defendant in California at any time during the Class Period,
9 and who reside in California. The Class Period is defined as the time period from July 29, 2020
10 through the earlier of May 12, 2025, or, if applicable, the Alternate Class Period End Date.

11 15. **Numerosity:** Based on data provided by Defendant, the Class is estimated to be
12 approximately 141 individuals who worked an estimated total of 20,926 Workweeks, as of March
13 11, 2025.

14 16. **Commonality:** Based on investigation and information discovered, Class Counsel
15 believes that there is sufficient evidence to support the allegations made in the lawsuit, including
16 the allegations that Defendant, with respect to Plaintiff, Class Members, and PAGA Members,
17 *inter alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed
18 to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay
19 wages during employment and upon termination of employment, failed to provide compliant wage
20 statements, failed to maintain requisite payroll records, and failed to reimburse necessary business
21 expenses, and thereby engaged in unfair business practices and conduct giving rise to civil
22 penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code
23 sections 2698, *et seq.*). Plaintiff also asserted that Class Members were expected to perform similar
24 job duties and were subject to the same or similar operations and employment policies, practices,
25 and procedures. Additionally, Plaintiff asserted that Defendant's recordkeeping practices with
26 respect to Plaintiff, Class Members, and PAGA Members were substantially the same during the
27 time period at issue. As a result of said alleged uniform practices, Plaintiff claims that the Class
28 Members were not paid all of the compensation that was owed to them by Defendant. Thus, in

1 Class Counsel's view, it is clear that the outcome of this litigation would be determined by
2 Defendant's uniform operations and employment practices, policies, and procedures that Plaintiff
3 alleges applied across its non-exempt employees in California during the relevant time period.

4 17. **Adequacy and Typicality:** Plaintiff undertook the responsibilities of representing a
5 class action against his former employer. Plaintiff spent considerable time and effort to produce
6 relevant documents and past employment records and to provide the facts and evidence necessary
7 to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and
8 actively tried to obtain information that would benefit the Class. Plaintiff has no interests that are
9 adverse to the Class. Plaintiff was employed by Defendant during the Class Period and subject to
10 the same alleged violations and the same policies, practices, and procedures. Plaintiff took on the
11 challenge and risk of commencing and maintaining these actions, and he has not yet received any
12 monetary benefit for his service to date. Plaintiff put his own interests aside and brought a publicly
13 filed lawsuit against an employer not just for his own benefit, but, instead, on behalf of other
14 hourly-paid employees and the State of California.

15 **EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC**

16 18. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the
17 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
18 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is
19 the attorney of record in well over a dozen employment-related putative class actions in both state
20 and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys
21 who focus on litigating complex wage-and-hour class and Private Attorneys General Act
22 ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases
23 involving the executive, administrative, and other overtime exemptions to the State of California
24 and federal overtime compensation requirements. During a relatively short time, in association
25 with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of
26 thousands of individuals in California.

27 19. Edwin Aiwasian is the Chief Executive Officer of Lawyers *for* Justice, PC. He
28 received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a

1 Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive
2 formal training in dispute resolution and negotiation from the Straus Institute for Dispute
3 Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has
4 previously served as a pro bono mediator for the Los Angeles County Superior Court. In October
5 of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During
6 the summer of 2000, he studied Legal Writing at Harvard University. From approximately
7 September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable
8 Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From
9 approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the
10 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
11 In December of 2004, he obtained a license to practice law from the California State Bar. Since in
12 or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost exclusively
13 focused on the prosecution of consumer and employment class actions, involving wage-and-hour
14 claims, race discrimination, unfair business practices, or consumer fraud. While employed by
15 Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over
16 one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial,
17 and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the
18 firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases
19 involving the executive, administrative, and other overtime exemptions to the State of California
20 and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC
21 has successfully obtained class certification by contested motion practice in approximately sixteen
22 (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

23 20. Arby Aiwarzian is a Senior Partner of Lawyers *for* Justice, PC. He received his
24 Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum
25 laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From
26 approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
27 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
28 From approximately August 2008 to approximately December 2008, he served as a Judicial Extern

1 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth
2 Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before
3 all courts of the State of California and all United States District Courts in the State of California.
4 He has worked on many wage-and-hour class action and representative action cases, taking the
5 lead in taking and defending depositions, arguing motions, and attending mediations. He has
6 played an integral role in preparing matters for class certification, including and not limited to,
7 successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court
8 Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court
9 Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case
10 No. RG13680477). Under his supervision, dozens of class action or representative action cases
11 have resulted in settlements that have been granted court approval. He has handled over one
12 hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class
13 action or representative action cases which have resulted in settlement.

14 21. Joanna Ghosh is a Senior Partner of Lawyers *for* Justice, PC. She received a
15 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
16 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
17 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010),
18 in New York (since 2013), and in Washington (since 2026), and she is admitted to practice in all
19 U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California,
20 U.S. District Court for the Western District of Washington, and the U.S. Supreme Court. She has
21 taken and defended dozens of depositions and successfully handled motion practice in class action
22 cases regarding discovery (including and not limited to, regarding class contact information), class
23 certification (both contested class certification and stipulated class certification), arbitration
24 agreements, coordination, and intervention. She has successfully handled briefing and oral
25 argument on appeal and obtained notable decisions regarding the Private Attorneys General Act
26 and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9
27 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied
28 (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She has significant

1 experience with class actions, including and not limited to working on cases to obtain class
2 certification through contested motion practice and working on cases in the post-certification stage
3 (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation
4 in conjunction with co-counsel in a case involving a certified class consisting of approximately
5 2,600 individuals). She also has extensive experience with class action and/or representative action
6 settlements, and she has handled this process in over three hundred (300) cases. Under her, Edwin
7 Aiwasian and Arby Aiwasian, Lawyers *for* Justice, PC has handled the class certification and court
8 approval process for hundreds of class action and/or representative action matters that have
9 successfully resolved. She is a member of the California Employment Lawyers Association and,
10 on several occasions, she has been a speaker regarding topics in wage and hour law at the
11 organization's continuing legal education events.

12 22. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree
13 from the University of Michigan in 2020, and I earned my Juris Doctor degree from Loyola Law
14 School in 2023. I was admitted to practice law in California in 2023. I am admitted to practice
15 before all courts of the State of California. I have worked on many wage-and-hour class action and
16 PAGA representative cases, and my work on these cases has included preparing pleadings and
17 motions, making court appearances, and drafting and finalizing settlement agreements.

18 **THE SETTLEMENT AND SUMMARY OF WORK PERFORMED**

19 23. The effectiveness of Lawyers *for* Justice, PC ("Class Counsel") in prosecuting this
20 matter has translated into tangible monetary benefits in the following respects: (1) Class Members,
21 PAGA Members, and the State of California recover over a reasonably short period of time as
22 opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result
23 that compares favorably with other similar class action settlements of this type given the strengths
24 and weaknesses of the cases; and (3) significant savings in Class Counsel's fees and/or costs that
25 would have only increased significantly had the cases progressed through certification, trial, and/or
26 appeals.

27 24. Class Counsel has litigated the cases for over 2 years and was actively preparing the
28 matters for class certification and trial. The Parties have engaged in extensive settlement

1 negotiations and participated in a full-day mediation conducted by Tagore Subramaniam, Esq., a
2 well-respected mediator experienced in mediating complex labor and employment matters. In the
3 course of the these lawsuits and in connection with the mediation and settlement negotiations, the
4 Parties exchanged extensive information and engaged in discussions regarding their evaluations of
5 the cases and various aspects of the cases, including but not limited to, the risks and delays of
6 further litigation, the law relating to off-the-clock theory, regular rate, meal and rest periods,
7 PAGA representative claims, and state wage-and-hour law and enforcement, as well as the
8 evidence produced and analyzed, and the possibility of appeals, among other things. During all
9 settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial
10 position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and its
11 counsel felt strongly about its ability to prevail on the merits, and Plaintiff and Class Counsel
12 believed that they would be able to prevail at trial. After conducting investigations, formal and
13 informal discovery, exchange of information, extensive settlement negotiations, and with the aid of
14 the mediator's evaluation, the Parties have agreed that the matter is well-suited for settlement given
15 the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides
16 that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of
17 the Released Class Claims of Plaintiff and Settlement Class Members, and of the Released PAGA
18 Claims of Plaintiff and the State of California, with respect to aggrieved employees, against the
19 Released Parties.

20 25. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
21 and scope of the claims, and was preparing the actions for class certification and trial. Plaintiff
22 conducted significant investigation and formal and informal discovery regarding the facts of the
23 case, including and not limited to, the exchange, review, and analysis of a volume of documents
24 and data obtained from Defendant, Plaintiff, and other sources. Class Counsel served multiple sets
25 of formal written discovery requests onto Defendant (specifically, Requests for Production of
26 Documents (Set One), Special Interrogatories (Sets One and Two), and Form Interrogatories –
27 General (Set One)). Additionally, Class Counsel noticed the depositions of Defendant's Person
28 Most Knowledgeable regarding Organizational Structure and Job Descriptions. The volume of data

1 and documents that Lawyers for Justice reviewed and analyzed included and was not limited to:
2 Plaintiff's employment records, Class Members' time and pay data, Defendant's Employee
3 Handbook, company policy acknowledgements, internal memoranda, job descriptions, Defendant's
4 operations and employment practices, forms, procedures, and policies, among other information
5 and documents. Class Counsel had the opportunity to interview Plaintiff to gather facts and to
6 identify potential witnesses. Counsel for the Parties met and conferred on numerous occasions,
7 e.g., to discuss issues relating to the pleadings, and the production of documents and data prior to
8 the mediation. Class Counsel drafted Plaintiff's pleadings and mediation brief and prepared for and
9 attended court proceedings, settlement negotiations, and the mediation, among other tasks.

10 26. Counsel for the Parties have also invested time researching and investigating the
11 applicable law, which is constantly evolving as it relates to certification, representative PAGA
12 claims, off-the-clock theory, regular rate, meal and rest periods, state wage-and-hour law and
13 enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts
14 discovered. Based on Class Counsel's analysis, the result achieved in these lawsuits is fair,
15 adequate, and reasonable.

16 27. Class Counsel is aware of the defenses and position of Defendant, but believes that
17 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff and Class
18 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,
19 and the difficulties and delays inherent in such litigation. Plaintiff further recognizes the burdens
20 of proof necessary to establish liability for the claims asserted in the lawsuits, Defendant's
21 defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff and Class
22 Counsel have also considered the Parties' settlement discussions, as well as the evaluations of the
23 mediator, who is experienced and well-regarded in complex labor and employment matters.

24 28. Defendant, on the other hand, denied and continues to deny any liability and
25 wrongdoing of any kind associated with the claims alleged in the lawsuits, and further denies that
26 these lawsuits are appropriate for class treatment or representative adjudication for any purpose
27 other than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both
28 sides have also had the opportunity to interview witnesses and review documents and information

1 relating to Plaintiffs, Class Members', and PAGA Members' employment with Defendant, and
2 Defendant's operations and employment policies, practices, and procedures. The Parties also
3 reviewed and analyzed a volume of documents and data to determine the potential value and
4 strength of the claims. The available information enabled Class Counsel to assess and value the
5 class and PAGA claims and prepare violation, damages, and penalties analyses models.
6 Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be
7 sufficiently informed of the nature and extent of the Class Members' claims, and to enable both
8 sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The
9 Settlement takes into account the strengths and weaknesses of each side's position and the
10 uncertainty of how the cases might have concluded at trial and/or appeals.

11 **ESTIMATE OF THE VALUE OF THE CLAIMS**

12 29. Plaintiff's actions allege that Defendant has violated the California Labor Code and
13 Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic
14 scheme of wage abuse against Plaintiff and the Class Members, including *inter alia*, failing to
15 properly compensate overtime and minimum wages, failing to provide compliant meal and rest
16 periods and associated premium pay, failing to timely pay wages during employment, failing to
17 timely pay wages upon termination and associated waiting-time penalties, failing to provide
18 compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse
19 necessary business expenses. Plaintiff further contends that Defendant's aforementioned conduct
20 constitutes unfair business practices (under the California Business and Professions Code ("UCL")
21 and gives rise to civil penalties recoverable under PAGA.

22 30. Based on data provided by Defendant, the total number of Class Members during
23 the period from July 29, 2020 through March 11, 2025 ("relevant time period") was estimated to
24 be approximately 141 individuals who worked an estimated total of 20,926 workweeks with an
25 average hourly rate of pay of \$26.67.

26 31. Plaintiff contended that Defendant required Class Members to perform work before
27 clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods.
28 Plaintiff contended that Defendant discouraged the recordation of overtime hours and required

1 Class Members to perform work off-the-clock. Plaintiff contended that Defendant failed to include
2 non-discretionary bonuses and incentives in the calculation of the regular rate when paying
3 overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, later,
4 shortened, and/or interrupted, that Class Members were required to remain on premises during rest
5 breaks, readily available to assist with work tasks, and that Defendant failed to properly pay
6 premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that
7 Defendant intentionally and willfully failed to pay Plaintiff and Class Members all wages due to
8 them while they were employed by Defendant, within the time period permissible under California
9 law, and that Defendant failed to pay all wages due upon termination, within the time period
10 permissible under California law, thereby triggering waiting-time penalties under California Labor
11 Code section 203. Plaintiff contended that, based on the violations described herein, the wage
12 statements provided by Defendant and the payroll records kept by Defendant were inaccurate.
13 Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other Class
14 Members for necessary business expenses, including, but not limited to, the costs associated with
15 the usage of personal cell phones, as well as uniform apparel, such as electrostatic dissipative work
16 shoes.

17 32. Class Counsel considered Defendant's arguments, e.g., that the employer's
18 practices, policies, and procedures complied with the law, that Defendant paid Class Members
19 over the California minimum wage for all hours worked, that Defendant correctly paid overtime
20 for all overtime hours worked, that no waiting-time penalties were due because waiting-time
21 penalties only arise from "willful" failure to pay wages due and owing at the time of termination or
22 resignation, that Plaintiff and Class Members suffered no actual injury from the alleged wage
23 statement violations and that this alleged violation and the alleged recordkeeping violation are
24 entirely derivative of the other causes of action, and that a policy and practice of reimbursing
25 employees for necessary business-related expenses exists. Class Counsel also considered the
26 likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code,
27 on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that
28 such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also

1 considered that trial courts have wide discretion when assessing penalties under PAGA, and that it
2 could be determined that individual liability issues predominate (e.g., due to purported variation in
3 shifts, locations, job duties, and other circumstances which could raise individualized questions of
4 fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

5 33. Class Counsel considered information, data, and documents obtained from Plaintiff,
6 Defendant, and other sources, and created violation, damages, and penalties valuations and models
7 prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the
8 claims. However, the potential value of each claim assumed an exposure based on the above-
9 captioned action having been certified and Plaintiff having proven all elements of the claims and
10 entitlement to monetary recovery in the above-captioned action (on a class-wide and a
11 representative basis), despite risks associated with obtaining and maintaining certification and
12 demonstrating manageability, risks to establishing liability and any underlying California Labor
13 Code and IWC Wage Order violations and damages, and significant additional costs that would
14 have to be incurred in order to certify the above captioned action and establish liability, damages,
15 and penalties amounts in the cases. Plaintiff faced the risk of the Court finding that individualized
16 issues predominate, such that the cases are not suitable for class treatment. While Class Counsel
17 disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the
18 circumstances and realities of the cases, applicable case law and regulations, the extensive time
19 and pay records produced by Defendant, the costs and expenses of further litigation and
20 certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel
21 calculated the potential and realistic values of each claim as follows:

- 22 a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to
23 be \$837,249.26 (20,926 workweeks x 1 hour of unpaid overtime wages x overtime
24 hourly rate of \$40.01, which is based on the average hourly rate of \$26.67). At this
25 juncture, a discount of 40% was applied to account for the risks associated with
26 obtaining and maintaining class certification (bringing the value of this claim closer
27 to \$502,349.56), a discount of 50% was applied to account for the risks associated
28 with succeeding on the merits and establishing liability (bringing the value of this

claim closer to \$251,174.78), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$125,587.39).

b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be \$558,096.42 (20,926 workweeks x 1 hour of unpaid minimum wages x average hourly rate of \$26.67). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$334,857.85), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$167,428.93), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$83,714.46).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,674,289.26 (20,926 workweeks x 3 meal period premiums x average hourly rate of \$26.67). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$1,004,573.56), a discount of 45% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$552,515.46), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$276,257.73).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be \$1,674,289.26 (20,926 workweeks x 3 rest period premiums x average hourly rate of \$26.67). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$1,004,573.56), a

discount of 45% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$552,515.46), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$276,257.73).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained infra.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties):

Based on information and data provided by Defendant, it was estimated that approximately 61 Class Members had been terminated during the three-year statute of limitations (i.e., from July 29, 2021). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be \$390,448.80 collectively (61 individuals x [30 days x hourly rate of \$26.67 x 8 hours]), or approximately \$6,400.80 per individual. At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$234,269.28), a discount of 45% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$128,848.10), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$64,424.05).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be \$329,250.00 ([91 initial violations x \$50 statutory penalty] + [3,247 subsequent violations x \$100 statutory penalty]). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$197,550.00), a discount of 45% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this

claim closer to \$108,652.50), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$54,326.25).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained infra.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be \$101,281.84 (20,926 workweeks x \$4.84 unreimbursed business expenses). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$60,769.10), a discount of 45% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$33,423.01), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$16,711.50).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately \$159,250.00 (91 aggrieved employees estimated to have worked during one-year statutory period x \$1,750 civil penalties). At this juncture a discount of 5% was applied to account for the risks associated with possible bifurcation of discovery and/or trial (bringing the value of this claim closer to \$151,287.50), a discount of 5% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$143,723.13), and a discount of 5% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to

\$136,536.97).

34. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

35. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, the Class, PAGA Members, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 8th day of September 2026, at Glendale, California.



Ryan Slinger

EXHIBIT 1



March 29, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAFilings@dir.ca.gov

Re: ELMA ELECTRONIC INC.

Dear Representative:

We have been retained to represent Rey Pardillo against Elma Electronic Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “Elma Electronic”) for violations of California wage-and-hour laws. Mr. Pardillo seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Mr. Pardillo seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Elma Electronic employed Mr. Pardillo as an hourly-paid, non-exempt employee from approximately October 2021 to approximately June 2023, in the State of California.

The “aggrieved employees” that Mr. Pardillo may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Elma Electronic has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Order 4-2001.

Elma Electronic required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During

the relevant time period, Mr. Pardillo and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Pardillo and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Elma Electronic required Mr. Pardillo and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 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 if an employee quits 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' 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. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Elma Electronic did not provide Mr. Pardillo and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Elma Electronic were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Pardillo and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the

initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Pardillo and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Elma Electronic failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Pardillo and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Elma Electronic did not provide Mr. Pardillo and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Order 4-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Pardillo and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Pardillo and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Pardillo and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Elma Electronic. These costs include, but are not limited to, , the use of a personal phone for work-related tasks, and the purchasing and maintenance of footwear in compliance with the dress code.

Therefore, on behalf of all aggrieved employees, Mr. Pardillo seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Elma Electronic Inc.
c/o Rene Epli
Agent for Service of Process
44350 S Grimmer Blvd
Fremont, CA 94538

EXHIBIT 2

July 29, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfiling@dir.ca.gov

Re: ELMA ELECTRONIC INC.

Dear Representative:

We have been retained to represent Rey Pardillo against Elma Electronic Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “Elma Electronic”) for violations of California wage-and-hour laws. Mr. Pardillo seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Mr. Pardillo seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Elma Electronic employed Mr. Pardillo as an hourly-paid, non-exempt employee from approximately August 2020 to approximately June 2022, in the State of California.

The “aggrieved employees” that Mr. Pardillo may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Elma Electronic has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Order 4-2001.

Elma Electronic required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During

the relevant time period, Mr. Pardillo and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Pardillo and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Elma Electronic required Mr. Pardillo and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 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 if an employee quits 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' 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. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Elma Electronic did not provide Mr. Pardillo and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Elma Electronic were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Pardillo and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the

initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Pardillo and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Pardillo and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Elma Electronic failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Pardillo and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Elma Electronic did not provide Mr. Pardillo and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Order 4-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Pardillo and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Elma Electronic failed to pay Mr. Pardillo and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Pardillo and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Pardillo and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Elma Electronic. These costs include, but are not limited to, the use of a personal phone for work-related tasks, and the purchasing and maintenance of footwear in compliance with the dress code.

Therefore, on behalf of all aggrieved employees, Mr. Pardillo seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

A handwritten signature in black ink, reading "Desiree Ruiz Alfaro". The signature is fluid and cursive, with the last name "Alfaro" being more prominent.

Desiree Ruiz Alfaro, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Elma Electronic Inc.
c/o Sara A. Moore
Attorney
Gordon Rees Scully Mansukhani
315 Pacific Avenue
San Francisco, California 94111

EXHIBIT 3

PAGA Action, the “Actions”) against Defendant for alleged violations of the California Labor Code.

4. On July 29, 2024, Plaintiff sent an amended letter to the LWDA and Defendant, to correct the Plaintiff’s dates of employment (“Amended PAGA Notice”). A true and correct copy of the Additional PAGA Notice is attached hereto as “**EXHIBIT B.**” Plaintiff contends that Exhibits A and B exhausted the pre-filing requirements under PAGA.

5. On the same date, Plaintiff filed a First Amended Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, to reflect the Plaintiff’s corrected dates of employment.

6. Defendant denies liability or wrongdoing of any kind associated with the claims alleged in the Actions, and further denies that the Actions are appropriate for class treatment or PAGA treatment for any purpose other than this settlement. Defendant contends that it has complied at all times with the California Labor Code and California and federal law. Defendant further contends that even if a Court were to determine that it had violated any law based on the allegations, any violations would have been inadvertent. Accordingly, it is Defendant’s position that the putative class would be unable to recover any penalties that rely on willful or malicious violation of the law. It is Defendant’s position that, if the Actions were to be litigated, class certification would be inappropriate because Plaintiff is not an adequate class representative, PAGA treatment would be inappropriate because Plaintiff is not representative of allegedly aggrieved employees, Plaintiff’s claims are not typical of putative class members, and individual issues predominate over class issues, and that Plaintiff’s complaint would be subject to demurrer due to failure to exhaust the pre-filing requirements under PAGA, among other defenses. The Actions, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement (i) shall not be used as an admission, or as evidence of wrongdoing by the Defendant, or for any other purpose whatsoever; (ii) shall not be an admission or evidence of fault on behalf of Defendant in any action before a civil court, criminal court, administrative agency of any type, or other tribunal; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Actions or with respect to any other proceeding whatsoever. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Actions, the Released Class Claims, and the

Released PAGA Claims.

7. Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of Defendant's employment and operations policies, practices, and procedures.

8. On March 11, 2025, the Parties participated in mediation with Tagore Subramaniam, Esq. (the "Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, Class Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, the State of California, and PAGA Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

9. The Parties agree that the Class described herein may be certified for settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the Class and treatment of the PAGA Members as aggrieved is for purposes of the settlement only. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions. The Parties further agree that certification for purposes of the settlement is in no way an admission that class certification is proper under the more stringent standard applied for litigation and that evidence of this Settlement Agreement is for settlement purposes only and will not be admissible for any purpose in this or any other proceeding.

DEFINITIONS

10. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

///

1 a. “Actions” means a representative action entitled *Rey Pardillo v. Elma Electronic,*
2 *Inc.* in the Superior Court of California for the County of Alameda, Case No. 24CV078295 (“PAGA
3 Action”) against Defendant for civil penalties pursuant to the Private Attorneys General Act, California
4 Labor Code § 2698, *et seq.* (“PAGA”) predicated on violations of California Labor Code sections 201,
5 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and
6 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001; and a putative class action entitled
7 *Rey Pardillo v. Elma Electronic, Inc.* in the Superior Court of California for the County of Alameda, Case
8 No. 24CV085186 (“Class Action”) against Defendants, alleging: (1) failure to pay overtime pursuant to
9 Labor Code sections 510 and 1198; (2) failure to provide meal period premiums in violation of sections
10 226.7 and 512(a); (3) failure to provide rest period premiums in violation of section 226.7; (4) failure to
11 pay minimum wages pursuant to section 1194, 1197, and 1197.1; (5) failure to timely paid wages upon
12 termination in violation of sections 201 and 202; (6) failure to timely pay wages during employment in
13 violation of section 204; (7) failure to provide accurate and itemized wage statements in violation of
14 section 226(a); (8) failure to keep requisite payroll records in violation of section 1174(d); (9) failure to
15 reimburse business expenses in violation of sections 2800 and 2802; and (10) violations of California
16 Business and Professions Code §§ 17200, *et seq.*

17 b. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation
18 and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the
19 Actions, as set forth in Paragraph 15.

20 c. “Class Counsel” means Arby Aiwazian, Yasmin Hosseini, Ryan Slinger, and
21 Harris Koepenick of Lawyers *for* Justice, PC.

22 d. “Class List” means a complete list of all Class Members that Defendant will
23 diligently and in good faith compile from their records and provide to the Settlement Administrator. The
24 Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each
25 Class Member’s last-known full name, mailing address, telephone number, Social Security Number,
26 start and end dates worked as a non-exempt, hourly-paid employee of Defendant in California during
27 the Class Period, and such other information as is necessary for the Settlement Administrator to calculate
28 Class Workweeks (as defined herein) and PAGA Workweeks (as defined herein).

1 e. “Class Member(s)” or “Class” means all current and former non-exempt
2 employees who worked for Defendant in California at any time during the Class Period, and who reside
3 in California. Defendant represents that the number of Class Members is approximately One Hundred
4 Forty-One (141) individuals, as of March 11, 2025.

5 f. “Class Notice” means the Notice of Class Action Settlement, substantially in the
6 form attached as “**EXHIBIT C.**”

7 g. “Class Period” means the time period from July 29, 2020 through the earlier of
8 May 12, 2025, or, if applicable, the Alternate Class Period End Date, pursuant to Paragraph 41.

9 h. “Class Representative” or “Plaintiff” means Rey Pardillo.

10 i. “Class Settlement” means the settlement and resolution of all Released Class
11 Claims.

12 j. “Class Workweeks” means the number of weeks each Class Member worked for
13 Defendant as a non-exempt employee in California during the Class Period, which will be calculated by
14 the Settlement Administrator by considering each seven day period during which the employee worked
15 as a non-exempt, hourly paid employee in California during the Class Period as one workweek using
16 the Class Member’s hire date(s) and either (1) the Class Member’s date(s) of separation of employment,
17 for former employees and rehired employees, (2) Effective Date, for current employees; and/or (3) the
18 date the Class Member began working as an exempt employee, for those employees whose status
19 changed during the Class Period. Class Workweeks may be rounded up by the Settlement Administrator
20 so long as they are rounded up in a consistent manner for all Class Members to determine *pro rata*
21 shares.

22 k. “Court” means the Superior Court of California for the County of Alameda.

23 l. “Defendant” means Elma Electronic, Inc.

24 m. “Defendant’s Counsel” means Mollie M. Burks and Sara A. Moore of Gordon Rees
25 Scully Mansukhani LLP.

26 n. “Effective Date” means the later of (a) the last day on which any appeal might be
27 filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date
28 of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including

1 expiration of any time to seek reconsideration or further review.

2 o. “Employer Taxes” means the employers’ share of taxes and contributions in
3 connection with the wages portion of Individual Settlement Shares.

4 p. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition
5 of his efforts and work in prosecuting the Actions.

6 q. “Final Approval” means the determination by the Court that the Settlement is fair,
7 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

8 r. “Final Approval Hearing” means the hearing at which the Court will consider and
9 determine whether the Settlement should be granted Final Approval.

10 s. “Gross Settlement Amount” means the amount of Nine Hundred Thousand Dollars
11 (\$900,000.00) to be paid by Defendant in full resolution of all Released Class Claims, Released PAGA
12 Claims, and the Actions provided for under the Settlement, which includes all Attorneys’ Fees and Costs
13 to be paid to Class Counsel, Enhancement Payment to be paid to Plaintiff, PAGA Amount to be paid to
14 the LWDA and PAGA Members, Net Settlement Amount to be paid to the Settlement Class Members,
15 and Settlement Administration Costs to be paid to the Settlement Administrator. The Gross Settlement
16 Amount may increase to the extent provided in Paragraph 41. The Gross Settlement Amount does not
17 include Employer Taxes; Employer Taxes will be paid by Defendant, separately and in addition to the
18 Gross Settlement Amount.

19 t. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee
20 Amount that a PAGA Member may be eligible to receive for the PAGA Settlement, to be calculated in
21 accordance with Paragraph 20.

22 u. “Individual Settlement Payment(s)” means the net payment of each Settlement
23 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
24 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
25 Paragraph 19.

26 v. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
27 Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in
28 accordance with Paragraph 19.

1 w. “LWDA Payment” means the amount of One Hundred One Thousand Two
2 Hundred Fifty Dollars (\$101,250.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to
3 pay to the California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement,
4 as set forth in Paragraph 18.

5 x. “Net Settlement Amount” means the Gross Settlement Amount less the Court-
6 approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees
7 and Costs.

8 y. “Objection” means a Class Member’s written objection to the Class Settlement,
9 which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member’s
10 full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c)
11 contain a written statement of all grounds for the objection accompanied by any legal and factual support
12 for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection
13 is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked
14 on or before the Response Deadline.

15
16 z. “PAGA Amount” means the allocation of One Hundred Thirty-Five Thousand
17 Dollars (\$135,000.00) from the Gross Settlement Amount as civil penalties pursuant to the Private
18 Attorneys General Act, California Labor Code section 2698 *et seq.*, for the settlement and resolution of
19 the Released PAGA Claims. Seventy-five percent (75%) of the PAGA Amount, or \$101,250.00, will
20 be paid to the LWDA (i.e., the LWDA Payment) and the remaining twenty-five percent (25%), or
21 \$33,750.00, will be distributed to PAGA Members (i.e., the PAGA Employee Amount).

22 aa. “PAGA Members” means all current and former non-exempt employees who
23 worked for Defendant in California at any time during the PAGA Period, and who reside in California.

24 bb. “PAGA Employee Amount” means the amount of Thirty-Three Thousand Seven
25 Hundred Fifty Dollars (\$33,750.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA
26 Members on a *pro rata* basis based on their PAGA Workweeks during the PAGA Period.

27 ///

28 cc. “PAGA Workweeks” means the number of workweeks each PAGA Member was

employed by Defendant as a non-exempt employee in California during the PAGA Period, which will be calculated by the Settlement Administrator by considering each seven day period during which the employee worked as a non-exempt, hourly paid employee in California during the PAGA Period as one workweek using the PAGA Member's hire date(s) and either (1) the PAGA Member's date(s) of separation of employment, for former employees and rehired employees, (2) Effective Date, for current employees; and/or (3) the date the PAGA Member began working as an exempt employee, for those employees whose status changed during the PAGA Period. PAGA Workweeks may be rounded up by the Settlement Administrator so long as they are rounded up in a consistent manner for all PAGA Members to determine *pro rata* shares.

dd. "PAGA Period" means the time period from March 29, 2023 through the earlier of May 12, 2025, or, if applicable, the Alternate PAGA Period End Date pursuant to Paragraph 41.

ee. "PAGA Settlement" means the settlement and resolution of Released PAGA Claims.

ff. "Parties" means Plaintiff and Defendant, collectively, and "Party" means any of the Plaintiff or Defendant.

gg. "Preliminary Approval" means entry of the Court order granting preliminary approval of the Settlement Agreement.

hh. "Released Class Claims" means all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, suspected or unsuspected, arising during the Class Period, that each Class Member had, now has, or may hereafter claim to have against the Released Parties that were asserted by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action during the Class Period, regardless of whether such claims arise under federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited as follows: All claims arising under the California Labor Code

1 and applicable IWC Wage Order(s), including but not limited to: (1) Violation of California Labor Code
2 (Cal. Lab. Code §§ 510 and 1198) (Unpaid Overtime); (2) Violation of California Labor Code (Cal. Lab.
3 Code § 226.7 and 512(a)) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code (Cal.
4 Lab. Code § 226.7) (Unpaid Rest Period Premiums); (4) Violation of California Labor Code (Cal. Lab.
5 Code §§ 1194, 1197, and 1197.1) (Unpaid Minimum Wages); (5) Violation of California Labor Code
6 (Cal. Lab. Code §§ 201 and 202) (Final Wages Not Timely Paid); (6) Violation of California Labor Code
7 (Cal. Lab. Code § 204) (Wages Not Timely Paid During Employment); (7) Violation of California Labor
8 Code (Cal. Lab. Code § 226(a)) (Non-Compliant Wage Statements); (8) Violation of California Labor
9 Code (Cal. Lab. Code § 1174(d)) (Failure to Keep Requisite Payroll Records); (9) Violation of California
10 Labor Code (Cal. Lab. Code §§ 2800 and 2802) (Unreimbursed Business Expenses); and (10) Unfair
11 Competition (Cal. Business & Professions Code § 17200 *et seq.*).

12 ii. “Released PAGA Claims” means any and all claims, arising during the PAGA
13 Period against the Released Parties, for civil penalties under the Private Attorneys General Act,
14 California Labor Code section 2698, *et seq.* as well as any interest, fees, and costs available under
15 PAGA, based on the factual allegations made by Plaintiff in the Original PAGA Notice, Amended
16 PAGA Notice, and the PAGA Action, or allegations that Plaintiff could have alleged in the Original
17 PAGA Notice, Amended PAGA Notice, and the PAGA Action, including but not limited to, for failure
18 to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated
19 premiums, failure to provide compliant rest periods and associated premiums, failure to provide
20 compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and
21 failure to reimburse necessary business-related expenses and costs, in violation of the California Labor
22 Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d),
23 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders (including,
24 *inter alia*, Nos. 4-2001), and any other penalties for alleged violations of the Labor Code that could
25 otherwise be recovered pursuant to the procedures provided for in PAGA.

26 jj. “Released Parties” means Elma Electronic, Inc. or any of its directors, officers,
27 management-level employees, attorneys, insurers, and agents, whether in their individual or official
28 capacities.

1 kk. “Request for Exclusion” means a Class Member’s written letter indicating a
2 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of
3 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last
4 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class
5 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement
6 Administrator at the specified address, postmarked on or before the Response Deadline.

7 ll. “Response Deadline” means the deadline by which Class Members and/or PAGA
8 Members may submit a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be
9 the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement
10 Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response
11 Deadline will be extended to the next day on which the U.S. Postal Service is open; in the event that a
12 Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be
13 extended by fifteen (15) calendar days from the initial Response Deadline.

14 mm. “Settlement Administrator” means ILYM Group, Inc. or any other third-party
15 class action settlement administrator agreed to by the Parties and approved by the Court for purposes of
16 administering this Settlement. The Parties and their counsel each represent that they do not have any
17 financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement
18 Administrator that could create a conflict of interest.

19 nn. “Settlement Administration Costs” means the costs payable from the Gross
20 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
21 Settlement, as set forth in Paragraph 17.

22 oo. “Settlement Class Members” or “Settlement Class” means all Class Members who
23 do not submit a timely and valid Request for Exclusion.

24 pp. “Workweeks Dispute” means a Class Member’s and/or PAGA Member’s written
25 letter disputing the pre-printed information on the Class Notice as to the number of Class Workweeks
26 or PAGA Workweeks credited to them, which must: (a) contain the case name and number of the Class
27 Action; (b) contain the Class Member’s and/or PAGA Member’s full name, signature, address,
28 telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class

1 Member and/or PAGA Member disputes the number of Class Workweeks or PAGA Workweeks
2 credited to them and what they contend is the correct number to be credited to them; (d) attach any
3 documentation that they have to support the dispute; and (e) be submitted by mail to the Settlement
4 Administrator at the specified address, postmarked on or before the Response Deadline.

5 **CLASS CERTIFICATION**

6 11. For the purposes of this settlement only, the Parties stipulate to the certification of the
7 Class.

8 12. The Parties agree that certification for the purpose of settlement is not an admission that
9 certification is proper under California Code of Civil Procedure section 382. Should, for whatever
10 reason, the Court not grant Final Approval, or the approval be overturned on appeal, the Parties'
11 stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall
12 have no bearing on, and shall not be admissible in connection with, the issue of whether or not
13 certification would be appropriate as to any of the claims asserted by Plaintiff against Defendant in a
14 non-settlement context.

15 **TERMS OF AGREEMENT**

16 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
17 forth herein, the Parties agree, subject to the Court's approval, as follows:

18 13. Consolidation of the Cases and/or Amendment of the Operative Complaint. To implement
19 the terms of the Settlement, if required by the Court, the Parties will enter a stipulation to formally
20 consolidate the Actions. Alternatively, or in addition, if required, the Parties agree that Plaintiffs may
21 seek leave to file, and upon being granted leave, may file a consolidated amended complaint in the PAGA
22 Action that will consolidate the parties and claims asserted in the Actions. Defendant will be given the
23 opportunity to examine any amendments to the consolidated amended complaint that were not present in
24 the prior operative complaints in the Actions. The Parties will execute and submit any stipulation
25 regarding the Actions or will seek to consolidate the actions and/or obtain leave to file an amended
26 consolidated complaint by way of the motion for preliminary approval, whichever approach facilitates
27 obtaining preliminary approval the soonest.

28 14. Funding and Disbursement of the Gross Settlement Amount. Within fifteen (15) calendar

1 days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting
2 estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a
3 qualified settlement account for administration of the Settlement. Within twenty (20) calendar days after
4 the Effective Date, Defendant will make a one-time deposit of the Gross Settlement Amount, plus an
5 amount sufficient to for Employer Taxes, into the settlement account to be established by the Settlement
6 Administrator. Within thirty (30) calendar days after the Effective Date, the Settlement Administrator
7 will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual
8 Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Members;
9 (c) LWDA Payment to the LWDA; (d) Enhancement Payment to Plaintiff; (e) Attorneys' Fees and Costs
10 to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The
11 Settlement Administrator will obtain funds from Defendant that are sufficient for the Employer Taxes
12 that Defendant must fund separately and in addition to the Gross Settlement Amount. The Settlement
13 Administrator will also undertake filings and remittances in connection with the employee's share of
14 taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are necessary
15 for administration of the Settlement.

16 15. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose
17 attorneys' fees of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., up to \$315,000.00
18 if the Gross Settlement Amount remains \$900,000.00) and reimbursement of actual costs and expenses
19 associated with Class Counsel's litigation and settlement of the Actions, supported by declaration, in an
20 amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00), both of which will be paid from the
21 Gross Settlement Amount subject to Court approval. These amounts will cover any and all work
22 performed and any and all costs incurred by Class Counsel in connection with the litigation and
23 settlement of the Actions, including without limitation all work performed and costs incurred to date,
24 and all work to be performed and all costs to be incurred in connection with obtaining the Court's
25 approval of this Settlement Agreement, including any objections raised and any appeals necessitated by
26 those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
27 compensation for tax purposes and for paying any taxes on the amounts received. With respect to the
28 Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to

utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members.

16. Enhancement Payment. In recognition of his efforts and work in prosecuting the Actions, Defendant agrees not to oppose or impede any application or motion for an Enhancement Payment to Plaintiff in the amount of up to Ten Thousand Dollars (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement Amount subject to Court approval, will be in addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable) that he is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the amounts received. Should the Court not approve the Enhancement Payment to Plaintiff, or approve it in an amount that is less than that set forth above, Plaintiff shall not have the right to revoke this Agreement, and it will remain binding, and the difference between the amount approved by the Court (if any) and the amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

17. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Seven Thousand Dollars (\$7,000.00). These costs, which will be paid from the Gross Settlement Amount subject to Court approval, will include, *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties.

To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

18. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of One Hundred Thirty-Five Thousand Dollars (\$135,000.00) from the Gross Settlement Amount will be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$101,250.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$33,750.00, will be distributed to PAGA Members (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on PAGA Workweeks during the PAGA Period (i.e., the Individual PAGA Payment).

19. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Class Workweeks during the Class Period, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the estimated Net Settlement Amount by the Class Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Class Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Class Workweeks of all Settlement Class Members during the Class Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Class Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual Settlement Share.

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20. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated

1 and apportioned from the PAGA Employee Amount based on the PAGA Members' number of PAGA
2 Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA
3 Employee Amount, i.e., 25% of the PAGA Amount, by the total number of PAGA Workweeks of all
4 PAGA Members during the PAGA Period to yield the "PAGA Workweek Value," and multiply each
5 PAGA Member's individual PAGA Workweeks during the PAGA Period by the PAGA Workweek
6 Value to yield his or her Individual PAGA Payment.

7 21. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
8 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
9 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement
10 shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Members to additional
11 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest
12 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
13 Plaintiff, Settlement Class Members, or PAGA Members to any increased retirement, 401K benefits or
14 matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the
15 Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the
16 sole payments to be made by Defendant to the Settlement Class Members and PAGA Members in
17 connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or
18 compensation plan document that might have been in effect during the Class Period).

19 22. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code
20 section 2699(1)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the
21 same time that it is submitted to the Court for preliminary approval.

22 23. Delivery of the Class List. Within ten (10) business days of Preliminary Approval,
23 Defendant will provide the Class List to the Settlement Administrator.

24 24. Notice by First-Class U.S. Mail.
25 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,
26 the Settlement Administrator will perform a search based on the United States Postal Service's National
27 Change of Address Database or any other similar services available, such as provided by Experian, for
28 information to update and correct for any known or identifiable address changes, and will mail a Class

1 Notice in English (in the form attached as **EXHIBIT C** to this Settlement Agreement) to all Class
2 Members via U.S. mail, using the most current, known mailing addresses identified by the Settlement
3 Administrator.

4 b. With respect to Class Notices that are returned as undeliverable on or before the
5 Response Deadline, the Settlement Administrator will search for an alternate address by way of a single
6 computer and/or skip-trace search and re-mail the Class Notice within five (5) calendar days to an
7 alternate address if one is located.

8 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by
9 which a Class Member and/or PAGA Members may dispute the number of Class Workweeks and/or
10 PAGA Workweeks allocated to him or her by submitting a timely and valid Class Workweeks and/or
11 PAGA Workweeks Dispute. The date of the postmark on the return mailing envelope will be the
12 exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting
13 the accuracy of Defendant's records and data as they pertain to the number of Class Workweeks and/or
14 PAGA Workweeks to be credited to a disputing Class Member and/or PAGA Member, Defendant's
15 records will be presumed correct and determinative of the dispute. The Settlement Administrator will
16 evaluate the information and/or documents submitted by the Class Member and/or PAGA Member and
17 the Settlement Administrator will resolve and determine the number of Class Workweeks and/or PAGA
18 Workweeks that the disputing Class Member and/or PAGA Member should be credited with under the
19 Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

20 25. Settlement Checks.

21 a. The Settlement Administrator will be responsible for undertaking appropriate
22 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to
23 the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA
24 Members in accordance with this Settlement Agreement. When issuing payments, the Settlement
25 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one
26 check if the intended recipient for both payments is one individual.

27 ///

28 b. The Settlement Administrator shall remit and report the applicable portions of the

1 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
2 Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent
3 necessary to determine the amount of the payroll tax payment required.

4 c. Each Individual Settlement Payment check and Individual PAGA Payment check
5 will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original
6 issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the
7 cancelation of checks issued to Settlement Class Members and PAGA Members, shall be paid to the
8 United Way (“Proposed *Cy Pres* Recipient”). The Proposed *Cy Pres* Recipient is a nonprofit organization
9 building stronger communities by addressing issues in health, education, and financial stability. The
10 Parties and their counsel do not have any interests in the Proposed *Cy Pres* Recipient or involvement
11 within the governance or work of the Proposed *Cy Pres* Recipient. Should the Court reject the United
12 Way as a viable *cy pres* recipient, the Parties agree to select and propose an alternate *cy pres* recipient
13 (“Alternate *Cy Pres* Recipient”) that is an entity that the Parties and their counsel do not have any interest
14 in and with respect to which they do not have any involvement in the entity’s governance or work.
15 Payment to the *Cy Pres* Recipient or Alternative *Cy Pres* Recipient shall be made after the Court enters
16 an order approving the Parties’ stipulation to amend the judgment, which Parties shall prepare and file in
17 accordance with California Code of Civil Procedure section 384.5, *et seq.*

18 d. The Settlement Administrator shall undertake amended and/or supplemental tax
19 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated
20 due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.
21 Settlement Class Members whose Individual Settlement Payment checks are canceled shall,
22 nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will
23 have claim preclusive impact with respect to them and all Settlement Class Members with respect to the
24 Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the
25 PAGA Members with respect to the PAGA Settlement irrespective of whether their Individual PAGA
26 Payment checks are canceled.

27 ///

28 26. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member

wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and also identify the individuals who submitted them, in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. PAGA Members may not request exclusion from the Class Settlement, will be bound by the PAGA Settlement, and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion from the Class Settlement. Should more than five (5) Class Members submit a Request for Exclusion, Defendant at its sole option may withdraw from the Settlement by providing written notice to Class Counsel at least fourteen (14) calendar days prior to the Final Approval Hearing,, making this Settlement Agreement null and void, provided the Settlement Administrator has previously furnished Defendant with the number and percentage of valid and timely Requests for Exclusion. If Defendant exercises this option, Defendant shall pay all costs of incurred by the Settlement Administrator incurred up to that date.

27. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by Section 10.y. of this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Objection is timely. PAGA Members may not object to the PAGA Settlement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, irrespective of whether

they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

28. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Class Workweeks and/or PAGA Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

29. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

30. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Share, which is dependent on the final Settlement Class Members and PAGA Members, will be allocated as follows: thirty-three and one-third percent (33.33%) wages and sixty-seven and two thirds percent (66.67%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

31. Administration of Taxes by the Settlement Administrator. The Settlement Administrator

1 will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Members, and Class
2 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
3 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all
4 payroll taxes, contributions, and withholdings to the appropriate government authorities.

5 32. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not
6 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications
7 to Class Members or PAGA Members regarding the Settlement to constitute advice regarding taxes or
8 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other
9 communication regarding the Settlement be relied on as such. Plaintiff, Settlement Class Members, and
10 PAGA Members understand and agree that they will be solely responsible for correctly characterizing
11 any compensation received by them under the Settlement on their personal income tax returns and
12 paying any and all taxes due for any and all amounts paid to them under the Settlement.

13 33. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR
14 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
15 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
16 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT
17 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
18 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
19 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE
20 OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF
21 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
22 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,
23 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING
24 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
25 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION
26 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND
27 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
28 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY

BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'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 SETTLEMENT AGREEMENT.

34. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

35. Releases of Claims.

a. Class Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

36. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to PAGA Members, and PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff and the PAGA Members.

37. General Release of Claims by Plaintiff. In addition to the above releases of claims, upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff will be deemed to have fully released and discharged the Released Parties of and from all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever arising from his employment with Defendant, separation of employment from Defendant, or out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties, known or known, asserted or that might have been asserted

1 in any legal action or proceeding against Defendant, whether known or unknown, arising on or before the
2 date of execution of the Settlement Agreement, whether in tort, contract, or for violation of any state,
3 local, or federal statute, rule or regulation, including, *inter alia*, those arising under the California Labor
4 Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of
5 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations
6 Code, California Business and Professions Code, California Fair Employment and Housing Act,
7 California Constitution (all as amended), and law of contract and tort, as well as for discrimination,
8 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,
9 emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and
10 costs. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff stipulates and
11 agrees that he is not due and owing any additional monies and expressly waives and relinquishes, to the
12 fullest extent permitted by law, any and all rights and benefits available under federal, state, or other law,
13 including those referenced in California Civil Code section 1542, which provides:

14 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
15 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**
16 **EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE**
17 **AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
18 **AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED**
19 **PARTY.**

20 Plaintiff understands and agrees that claims or facts in addition to or different from those which are now
21 known or believed by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle
22 fully and release all claims Plaintiff now has against the Released Parties, whether known or unknown,
23 suspected or unsuspected, upon the Effective Date and full funding of the Gross Settlement Amount.
24 Notwithstanding the above, this general release by Plaintiff shall not extend to claims for workers'
25 compensation benefits, claims for unemployment benefits, or other claims that may not be released by
26 law. This General Release of Claims by Plaintiff shall not be affected by the amount of the Enhancement
27 Payment awarded to Plaintiff. Any order or proceeding relating to the application by Class Counsel of
28 the Enhancement Payment shall not operate to terminate or cancel Plaintiff's agreement to this General
Release.

38. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

1 Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for
2 Plaintiff's motion for preliminary approval of the Settlement, and submit this Settlement Agreement to
3 the Court in support of said motion. Plaintiff shall provide a copy of the motion for Defendant's review
4 prior to filing. Defendant agrees not to oppose the motion for preliminary approval of the Settlement,
5 so long as it is fully consistent with this Settlement Agreement. Said motion shall apply to the Court
6 for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the
7 Parties, seeking the following:

- 8 a. Conditionally certifying the Class for settlement purposes only;
- 9 b. Granting Preliminary Approval of the Settlement;
- 10 c. Preliminarily appointing Plaintiff as representative of the Class;
- 11 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 12 e. Approving, as to form and content, the mutually-agreed upon and proposed Class
13 Notice and directing its mailing to the Class by U.S. Mail;
- 14 f. Approving the manner and method for Class Members to request exclusion from
15 or object to the Class Settlement as contained herein and within the Class Notice; and
- 16 g. Scheduling a Final Approval Hearing at which the Court will determine whether
17 the Settlement should be finally approved as fair, reasonable, and adequate.

18 39. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
19 the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiff's
20 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether
21 Final Approval of the Settlement should be granted, along with the amounts properly payable for
22 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and
23 Costs, Enhancement Payment, and Settlement Administration Costs. By way of said motion, Plaintiff
24 will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval
25 Order and Judgment"), which will provide for, in substantial part, the following:

- 26 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
27 consummation of its terms and provisions;
- 28 b. Certification of the Settlement Class;

- 1 c. Appointment of Plaintiff as representative of the Settlement Class;
2 d. Appointment of Class Counsel as counsel for the Settlement Class;
3 e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
4 f. Approval of the application for Enhancement Payment to Plaintiff;
5 g. Directing Defendant to fund all amounts due under the Settlement Agreement and
6 ordered by the Court; and
7 h. Entering judgment in the Actions, while maintaining continuing jurisdiction to
8 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement
9 Agreement.

10 40. Effects of Termination of the Settlement. In the event that the Settlement Agreement is
11 not approved by the Court, or such approval is overturned on appeal, such a development shall have the
12 following effects:

13 a. The Settlement Agreement and all negotiations, statements, and proceedings
14 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
15 to their respective positions in the Actions prior to the execution of the Settlement Agreement;

16 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
17 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
18 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

19 c. Any documents generated to bring the Settlement into effect, will be null and
20 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
21 treated as void from the beginning.

22 41. Escalator Clause. Defendant represents that, during the period from July 29, 2020 through
23 March 11, 2025, there are 20,926 Class Workweeks for the Class Members. If it is determined that the
24 total number of Class Workweeks exceed 20,926 by more than ten percent (10%) (i.e. exceeds 23,019)
25 during the Class Period, at Defendant's option either: (a) the Gross Settlement Amount will be increased
26 on a *pro rata* basis equal to the percentage increase in the number of Class Workweeks above 23,019
27 Workweeks (e.g., if the threshold of 23,019 Class Workweeks is exceeded by 1%, the Gross Settlement
28 Amount will increase by 1%), or, (b) the Class Period will end as of the date the ten percent (10%)

threshold was reached (i.e., the date on which the Class Workweeks total reached 23,019) and such date shall be referred to as the “Alternate Class Period End Date.” In the event that Defendant chooses to end the Class Period on the Alternative Class Period End Date, then, the PAGA Period will also end on the Alternate Class Period End (and such date shall be referred to as the “Alternate PAGA Period End Date”).

42. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

43. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

44. Limitation on Publicity. Plaintiff and Class Counsel agree not to issue press releases and engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA Members. Other than as specifically set forth herein, the parties and their counsel agree that they will not initiate or have contact with the press about this case. Plaintiff’s counsel will not communicate with other wage-hour plaintiffs’ counsel about this settlement, nor utilize it in any way in their marketing or advertising materials or website. However, for the limited purpose of allowing Class Counsel to prove their experience and adequacy as class counsel in other actions, Class Counsel may reference the Settlement in the Actions for such purposes. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

45. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties’ settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal law, which provide that a written agreement is to be construed according to its terms and may not be

1 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
2 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This
3 Settlement Agreement contains the entire agreement between the Parties relating to the settlement and
4 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
5 representations, and statements, whether oral or written and whether by a Party or such Party's legal
6 counsel, are merged herein.

7 46. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
8 Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code
9 of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the
10 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

11 47. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of
12 this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject
13 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement
14 will not constitute a waiver of any other provision.

15 48. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
16 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
17 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant
18 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
19 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
20 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
21 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
22 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
23 provisions that otherwise might apply under state or federal law.

24 49. Signatories. It is agreed that because the members of the Class are so numerous, it is
25 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
26 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement
27 Class Members, and the release shall have the same force and effect as if this Settlement Agreement
28 were executed by each Settlement Class Member. Plaintiff, however, will execute this Settlement

Agreement in compliance with Paragraph 37 above.

50. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

51. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

52. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

53. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

54. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement valid and enforceable.

55. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the terms herein and agree to fully cooperate to implement the Settlement.

56. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,

1 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated
2 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any
3 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
4 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any
5 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
6 admission or concession by Defendant of any such violations or failures to comply with any applicable
7 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this
8 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or
9 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
10 of any condition constituting a violation of, or a non-compliance with state, federal, local, or other
11 applicable law.

12 57. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted
13 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
14 provisions of this Settlement Agreement.

15 58. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
16 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
17 more strictly against one Party than another merely by virtue of the fact that it may have been prepared
18 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
19 between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

20 59. Representation by Counsel. The Parties acknowledge that they have been represented by
21 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that
22 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
23 full by the Parties with the assistance of their respective counsel.

24 60. All Terms Subject to Final Court Approval. All amounts and procedures described in
25 this Settlement Agreement herein will be subject to final Court approval.

26 61. Notices. All notices, demands, and other communications to be provided concerning this
27 Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below,
28 or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:

Arby Aiwazian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Harry Koepenick, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203

To Defendant:

Mollie Burks, Esq.
Sara A. Moore, Esq.
**GORDON REES SCULLY MANSUKHANI,
LLP**
315 Pacific Avenue
San Francisco, California 94111

62. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiff and Defendant:

IT IS SO AGREED.

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PLAINTIFF REY PARDILLO

04/01/2026
Dated: _____, 2026

Electronically Signed 2026-04-01 17:13:18 UTC - 67.121.117.13
Nintex AssureSign® #0b2495-f07c-4170-ae5e-b41011fa5b04

Rey Pardillo, Plaintiff

DEFENDANT ELMA ELECTRONIC, INC.

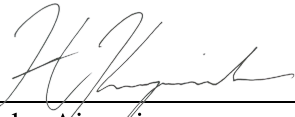
Dated: _____, 2026

Full Name: Steven J. Moss
Title: President
On behalf of Elma Electronic, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: 04/01/2026, 2026


Arby Aiwazian
Yasmin Hosseini
Ryan Slinger
Harris Koepenick
Attorneys for Plaintiff and Proposed Class Counsel

GORDON REES SCULLY MANSUKHANI LLP

Dated: _____, 2026

Mollie M. Burks
Sara A. Moore
Attorneys for Defendant Elma Electronic, Inc.

Dated: _____, 2026

Rey Pardillo, Plaintiff

DEFENDANT ELMA ELECTRONIC, INC.

Dated: March 31, 2026, 2026

Signed by:

Steven Moss

9DCCB47460174E9...

Full Name: Steven J. Moss

Title: President

On behalf of Elma Electronic, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____, 2026

Arby Aiwarzian

Yasmin Hosseini

Ryan Slinger

Harris Koepenick

Attorneys for Plaintiff and Proposed Class Counsel

GORDON REES SCULLY MANSUKHANI LLP

Dated: March 16, 2026

Saam

Mollie M. Burks

Sara A. Moore

Attorneys for Defendant Elma Electronic, Inc.