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10 Attorneys for Plaintiff

11
12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **FOR THE COUNTY OF ORANGE**

14 MAHOGANEE DAVIS, individually, and on
15 behalf of all others similarly situated,

16 *Plaintiff,*

17 v.

18 CAREER NETWORKS INSTITUTE, INC., a
19 California corporation, and DOES 1 through 10,
inclusive,

20 *Defendants.*

Case No.: 30-2024-01389974-CU-OE-CXC

*[Assigned for All Purposes to the Hon. Layne
H. Melzer, Dept. CX-102]*

**DECLARATION OF SEAN HARTRANFT
OF APEX CLASS ACTION
ADMINISTRATION IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Action Filed: March 28, 2024

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1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath. I submit this declaration in support of Plaintiff Mahoganee Davis's ("Plaintiff") Motion for Preliminary Approval of Class Action and PAGA Settlement.

3. The legal practitioners or parties involved do not possess any form of ownership stake or affiliation with Apex Class Action.

5. Apex Class Action ensures that Client and Class Member Information is only used for the purposes specified in the relevant agreements or court orders governing the provision of its legal services. To safeguard class member information, Apex Class Action has implemented a comprehensive process to identify, assess, and mitigate risks in all areas of its

1 operations, regularly evaluating the effectiveness of its security measures. Access to class
2 member information is limited to employees, agents, or subcontractors who require it to perform
3 their duties, and Apex Class Action conducts background checks on all personnel with access
4 to sensitive personal information, to ensure they do not pose a threat to the security of client or
5 class member information. To guarantee the security of the settlement administration process,
6 Apex Class Action maintains Professional Liability and Cyber Liability Insurance coverage, as
7 required by legal standards and best practices in the legal profession.

8 6. Apex Class Action disbursement process involves (i) obtaining a Federal
9 Employer Identification Number (FEIN) from the Internal Revenue Service (IRS) under the
10 name of the settlement case; (ii) establishing a QSF to manage the distribution of settlement
11 funds; (iii) conducting preliminary and final calculations to determine the individual settlement
12 amounts, including attorneys' fees, costs, enhancement awards, and any other court-approved
13 designees; (iv) calculating and reporting state and federal taxes as applicable; (v) and
14 disseminating approved settlement funds and tax forms via First-Class USPS mail.

15 7. The administration fees for Apex Class Action's management of this settlement
16 amount to \$7,500.00, as specified in **Exhibit B**. This document presents a comprehensive plan
17 detailing the specific administration services that will be provided.

18 I declare under penalty of perjury under the laws of the state of California that the
19 foregoing is true and correct. Executed on the 4th day of November 2025, in Irvine, California.

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Sean Hartranft

EXHIBIT A



CASE TYPES

- Wage & Hour
- Private Attorneys
General Act (PAGA)
- Belaire West
- Class Certification
- Fair Labor Standards
Act (FLSA)
- Telephone Consumer
Protection Act (TCPA)
- Employee Retirement
Income Security Act
(ERISA)
- Consumer
- Product Liability

SUMMARY

Apex Class Action is a team of experienced professionals with a strong understanding of the legal processes and procedures surrounding the settlement of class action lawsuits. As an organization, we possess excellent communication and organizational skills that are combined with innovative technology to efficiently manage complex projects and timelines.

From pre-settlement consultation to final disbursement, our technology platform and data security management measures are centered around integration, automation, and observability to ensure that class members are quickly and accurately paid.

PRELIMINARY CONSULTATION

Our complimentary preliminary consultation is used to create a framework for ensuring that all parties understand the project's scope, timeline, and budget. After establishing objectives and expectations between the plaintiff and defense counsel, our team will explore any additional opportunities to identify potential class members. Going as far as providing a detailed interactive banner ad campaign and print media options to achieve maximum reach.

CASE MANAGEMENT

Our expert Data Managers and Senior Case Executives oversee the administration of all class action lawsuits, ensuring compliance with court orders, settlement agreements, and industry standards. We work closely with the plaintiff and defense counsel to manage the settlement process, including the funding and distribution of settlement funds to eligible class members.

Our mailing and notification services start with data scrubbing and creation of a class database to ensure the correct contact information of all class members. Furthermore, the class data base will then be validated using the USPS National Change of Address (NCOA) database. Court certified translation with over 65 languages are available.. If mail is returned as undeliverable, all notices will be re-mailed after obtaining an updated address through skip tracing the class members' contact information.



To ensure transparency throughout the entire process, a steady cadence of reports, as defined during the preliminary consultation, is generated throughout the administration process for both the plaintiff and defense counsel.

Our ability to offer cost-effective pricing is based on our expertise in utilizing cutting-edge technology, highly skilled professionals, and an optimized process. If the courts approve the use of the latest electronic notification methods, such as email and banner ads, this solution will provide both certainty and cost-effectiveness. By utilizing electronic disbursement, we can offer a highly efficient strategy where settlement awards are delivered directly to class members without the potential drawbacks associated with traditional mail delivery.

TAX COMPLIANCE & CASE RESOLUTION

Apex's proprietary technology to manage the qualified settlement fund (QSF) administration allows us to efficiently handle the process from procurement of an FDIC-insured bank account all the way to preparing and filing 1120-SF tax returns. Our full suite of QSF services includes:

- Preparing Documents
- Opening FID-Insured Bank Account
- Timely Reporting of QSF Balance
- Prepare And File 1120-SF Tax Returns with Quarterly Tax Obligations
- Obtaining QSF Tax ID
- Treasury Management
- QSF Audit Reports

CONTACT

Address
PO Box 54668
Irvine, CA 92619

Email
Info@apexclassaction.com

Phone
1.800.355.0700

EXHIBIT B



Quotation Request:

Gabrielle Sole
 Wilshire Law Firm, PLC
 gabriella.sole@wilshirelawfirm.com
 213.381.9988

Case Name:

Date:
 RFP Number:

Davis v. Career Networks Institute, Inc.

Tuesday, April 29, 2025
 45546003

Prepared By:

Nick Day
 Apex Class Action LLC
 nickday@apexclassaction.com
 949.563.6650

Settlement Specifications	
Estimated Class Size:	348
Certified Language Translation:	No
Static Settlement Website:	Yes
Percentage of Undeliverable Mail:	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	2	\$250.00
Data Analyst	Per Hour	\$150.00	2	\$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$550.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	\$120.00
Print & Mail Class Notice	Per Piece	\$1.50	348	\$522.00
USPS First Class Postage	Per Piece	\$0.71	348	\$247.08
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	70	\$139.20
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	2	\$150.00
NCOA Address Update (USPS)	Static Rate	\$68.04	1	\$68.04
Sub Total:				\$1,321.32

Project Management				
Project Management	Per Hour	\$150.00	2	\$300.00
Project Coordinator	Per Hour	\$90.00	2	\$180.00
Data Analyst and Reporting	Per Hour	\$140.00	1	\$140.00
Sub Total:				\$620.00



Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$90.00	1	\$90.00
Settlement Website: Static Apex URL	Static Rate	\$500.00	1	\$500.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
			Sub Total:	\$590.00

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	2	\$240.00
Account Management and Reconciliation	Per Hour	\$140.00	2	\$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.50	348	\$522.00
USPS First Class Postage	Per Piece	\$0.71	348	\$247.08
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.00	35	\$69.60
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	6	\$600.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	\$500.00	1	\$500.00
			Sub Total:	\$3,708.68

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	2	\$240.00
			Sub Total:	\$710.00

				WILL NOT EXCEED: \$7,500.00
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Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. **Apex warrants** that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership** of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

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2 keven@kevensteinberglaw.com
3 **STEINBERG LAW**
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7 (818) 855-1103

8 Attorneys for Defendant
9 CAREER NETWORKS INSTITUTE, INC.

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF ORANGE**

12 MAHOGANEE DAVIS, individually, and on
13 behalf of all others similarly situated,

14 *Plaintiff,*

15 v.

16 CAREER NETWORKS INSTITUTE, INC., a
17 California corporation, and DOES 1 through 10,
18 inclusive,

19 *Defendants.*

Case No.: 30-2024-01389974-CU-OE-CXC

*[Assigned for All Purposes to the Hon. Layne
H. Melzer, Dept. CX-102]*

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

Action Filed: March 28, 2024

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1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath. I make this declaration in support of Plaintiff Mahoganee Davis's Motion for Preliminary Approval of Class Action and PAGA Settlement.

3. Based on my experience and my knowledge of CNI's personnel during the Class Period, I can attest that all the Class Members can speak and read English. As such, I believe providing a translation of the Class Notice to any other language is not necessary here.

Executed on Nov 13, 2025, at San Antonio, California.

Fouad Malik

John G. Yslas (SBN 187324)
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Eugene Zinovyev (SBN 267245)
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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

MAHOGANEE DAVIS, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

CAREER NETWORKS INSTITUTE, INC., a
California corporation, and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 30-2024-01389974-CU-OE-CXC

*[Assigned for All Purposes to the Hon. Layne
H. Melzer, Dept. CX-102]*

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

Action Filed: March 28, 2024

DECLARATION OF MAHOGANEE DAVIS

I, Mahoganee Davis, hereby declare as follows:

1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath. I make this declaration in support of my Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. I worked for Career Networks Institute, Inc. (“Defendant”) as an hourly-paid non-exempt admissions representative from approximately January 2019 to approximately October 2023.

3. Based on my experience and knowledge of Defendant’s wage and hour policies and my familiarity with its employment practices, I worked with my attorneys to bring claims on my own behalf as well as on behalf of other hourly-paid, non-exempt employees of Defendant.

4. I am seeking to become a class representative in this case. I believe my experiences are similar to those of other hourly-paid non-exempt employees of Defendant. I believe we were all subject to the same employment policies and practices.

5. I do not have any conflicts with other hourly-paid non-exempt employees that would interfere with my ability to represent them. I believe I will adequately represent the other hourly-paid non-exempt employees at Defendant.

6. My interests as a named plaintiff in this case are not adverse to the interests of the other hourly-paid non-exempt employees. I believe my interests are the same as the those of other employees because we were all subject to the same policies and practices and were similarly injured by Defendant’s company-wide policies and practices. I am seeking the same recovery on behalf of myself and the other employees, which is to collect unpaid wages, penalties, and interest that are owed to us by Defendant.

7. I have always kept the best interests of the other hourly-paid non-exempt employees in mind while performing my duties as the named plaintiff in this case. I have been committed throughout the course of this case to vigorously prosecuting this case on behalf of myself and the other employees. I believe that I have demonstrated my ability to advocate for the interests of the other hourly-paid non-exempt employees by initiating this lawsuit, providing documents and

1 information to my attorneys, keeping in regular contact with my attorneys regarding the status of
2 the case, and reviewing the settlement agreement to make sure it was fair.

3 8. I will continue to actively participate in this lawsuit as necessary and will continue
4 to make myself available to assist in this case moving forward as needed.

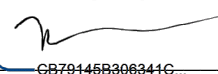
5 9. I do not have any actual or potential conflicts with Class Members or the
6 Administrator, Apex Class Action Administration.

7 10. After making a reasonable inquiry, I am not aware of any class, representative or
8 other collective action in any other court that asserts claims similar to those in this Settlement. I
9 am not aware of any other pending matter or action asserting claims that will be extinguished or
10 adversely affected by the Settlement.

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

13 Executed on 10/22/2025, at Hacienda Heights, California.

14 DocuSigned by:

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16 CB79145B306344C...

17 Mahoganee Davis
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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
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MAHOGANEE DAVIS, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

CAREER NETWORKS INSTITUTE, INC., a
California corporation, and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 30-2024-01389974-CU-OE-CXC

*[Assigned for All Purposes to the Hon. Layne
H. Melzer, Dept. CX-102]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Preliminary Approval Hearing:

Date: March 26, 2026

Time: 2:00 p.m.

Dept.: CX-102

Court Reservation No. 74705803

Action Filed: March 28, 2024

DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiff Mahoganee Davis (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On March 28, 2024, Plaintiff filed this putative class action against Defendant Career Networks Institute, Inc. (“Defendant”) alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) unfair business practices.

4. On March 29, 2024, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff’s PAGA letter to the LWDA and Defendant is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that intended to investigate within 65 days of this written notice. Therefore, on June 3, 2024, Plaintiff filed a separate action against Defendant for civil penalties under PAGA, Case No. 30-2024-01403871-CU-OE-CXC (“PAGA Action”).

5. On March 11, 2025, the Parties participated in a private full-day mediation with mediator Deborah Crandall Saxe, Esq. The negotiations were adversarial, conducted at arm’s length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by both parties.

6. The parties negotiated the terms of the Settlement over the next several months, which was finalized in June 2025. A true and correct copy of the fully executed Class Action and

PAGA Settlement Agreement is attached hereto as **Exhibit 2**. Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

7. On May 23, 2025, Plaintiff filed a First Amended Complaint in this Action adding a cause of action for civil penalties under PAGA. On August 7, 2025, Plaintiff dismissed the PAGA Action without prejudice.

8. On November 14, 2025, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

Investigation and Exposure Analysis

9. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiff's Counsel assessed the value of the class claims using the data and documents Defendant produced in informal discovery. Defendant produced thousands of documents. The data and documents produced by Defendant included Class Members' status as a current employee or former employee, hourly rate of pay, position, straight time wages, and overtime wages; Defendant's employee handbooks; job descriptions; Plaintiff's personnel file; a random sampling of Class Members' time and payroll records; and Class Members' dates of employment. Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

10. Defendant's records show that there are approximately 348 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

11. Plaintiff has alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, timely payment of wages upon separation of employment, and timely production of requested employment records. These

1 allegations present common factual and legal questions of, *inter alia*, whether Defendant applied
2 the same scheduling, timekeeping, pay, meal period, rest period, reimbursement, and employment
3 record production policies to all Class Members, whether these policies and practices resulted in
4 Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members
5 are entitled to damages and/or penalties. These common questions could be resolved using Class
6 Members' time records, payroll records, testimony from Defendant's designated representative(s),
7 and Class Members' testimony.

8 12. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks
9 at succeeding at class certification and through trial affected the valuation of the claims for
10 settlement purposes.

11 13. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage
12 claims were based on the allegation that Defendant required Class Members to perform work duties
13 before clocking in, during meal periods, and after clocking out. Based on Plaintiff's estimate that
14 she worked a total of one (1) hour off-the-clock each week, Plaintiff's Counsel assumed each Class
15 Member worked one (1) hour off-the-clock per week in calculating potential exposure for these
16 claims to be approximately \$880,089.99 (16,778 workweeks x \$34.97 average hourly rate of pay
17 x 1.00 hour/workweek x 1.5 overtime rate of pay). However, Defendant argued that any off-the-
18 clock time was undocumented and unknown to Defendant, and that Defendant was therefore not
19 obligated to pay for this time. Because this claim would have relied heavily on Class Member
20 testimony and would not be evidenced in Defendant's time and payroll records, the risk of
21 succeeding at class certification was substantial. Accordingly, Plaintiff's Counsel applied a risk
22 discount based on a 40% chance of succeeding at class certification and a 40% chance of
23 succeeding at trial on the merits, yielding a realistic damage estimate of approximately
24 \$140,814.40 (\$880,089.99 x 40% x 40%).

25 14. Meal Periods: Plaintiff's meal period claim was based on the allegation that
26 Defendant failed to provide Class Members with legally compliant meal periods or pay meal period
27 premiums in lieu thereof. For example, Plaintiff alleges that Defendant failed to provide Class
28 Members with meal periods altogether, and even if they were provided, they were interrupted and

1 less than 30 minutes. Plaintiff further alleges that Defendant failed to pay meal period premiums
2 it owed to Class Members after failing to provide them with legally compliant meal periods. The
3 time and payroll records produced by Defendant in advance of mediation reflected late, short, and
4 missed meal periods as well as unpaid meal period premiums. Additionally, Plaintiff alleges that
5 Defendant had legally non-compliant written meal period policies. Finally, Plaintiff's Counsel's
6 expert determined there was a 63.2% meal period violation rate from the sampling of Defendant's
7 time and payroll records. Thus, Plaintiff's Counsel calculated potential exposure on this claim to
8 be approximately \$908,927.37 (41,126 shifts greater than 5 hours x \$34.97 average hourly rate of
9 pay x 63.2% violation rate). While Defendant did not produce any meal waivers in advance of
10 mediation, it may still nonetheless argue that some of the Class Members voluntarily and validly
11 waived their meal periods. Accordingly, Plaintiff's Counsel applied a risk discount based on a 50%
12 chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits,
13 yielding a realistic damage estimate of approximately \$181,785.47 ($\$908,927.37 \times 50\% \times 40\%$).

14 15. Rest Periods: Plaintiff's rest period claim was based on the allegation that Defendant
15 failed to provide Class Members with legally compliant rest periods or pay rest period premiums
16 in lieu thereof. For example, Plaintiff alleges that Defendant failed to provide Class Members with
17 rest periods altogether, and even if they were provided, they were interrupted and less than 10
18 minutes. Based on such allegations, Plaintiff's Counsel applied a 100% violation rate to all shifts
19 of 3.5 hours or longer and thus calculated potential exposure on this claim to be approximately
20 \$1,651,038.61 (47,213 shifts of 3.5 hours or longer x \$34.97 hourly rate x 100% violation rate).
21 Plaintiff's Counsel discounted this figure to account for the difficulty of certifying and proving
22 rest period claims, particularly because rest periods do not have to be recorded, and to account for
23 the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim
24 would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this
25 claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding
26 at trial, yielding a realistic damage estimate of approximately \$99,062.32 ($\$1,651,038.61 \times 30\% \times$
27 20%).

28 16. In sum, Plaintiff's Counsel estimated that Plaintiff's maximum recovery for the off-

1 the-clock claim, meal period violations, and rest period violations is approximately \$3.44 million,
2 but after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiff's
3 Counsel estimates that Plaintiff's realistic estimated recovery for the wage claims is approximately
4 \$421,662.19.

5 17. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that
6 Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing
7 their job duties for Defendant. For example, Plaintiff alleges that Defendant required Class
8 Members to use their personal cell phones to communicate for work-related purposes and to incur
9 out-of-pocket expenses to fulfill their job duties without reimbursement. However, Defendant
10 argued that these expenses were not required by Defendant and/or that it did not know these
11 expenses were being incurred. For purposes of calculating Defendant's liability based on a best-
12 case scenario for Plaintiff and the Class, Plaintiff's Counsel estimated that Defendant was liable to
13 each class member for \$30 per month, or \$7.50 per workweek, in unreimbursed expenses, for a
14 total amount of approximately \$125,835.00 ($\$7.50 \times 16,778$ workweeks). Plaintiff's Counsel
15 discounted this figure based on an evaluation of a 30% chance of succeeding at class certification
16 and a 30% chance of succeeding at trial to account for the difficulty of certifying and proving
17 expense reimbursement claims, yielding a realistic damage estimate of approximately \$11,325.15
18 ($\$125,835.00 \times 30\% \times 30\%$).

19 18. Derivative Penalties: Plaintiff alleged that as a result of Defendant's failure to pay
20 all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and
21 wage statement penalties. With respect to Plaintiff's derivative claims for statutory penalties,
22 Plaintiff's Counsel estimated that Defendant's realistic potential liability is approximately
23 \$146,820.41. Plaintiff's Counsel calculated Defendant's maximum potential liability for waiting
24 time penalties to be approximately \$1,612,256.88 (226 former employees during the 3-year statute
25 of limitations period $\times$ \$34.97 hourly rate $\times$ 6.80 hours/day as the average shift length $\times$ 30 days);
26 and Defendant's maximum potential liability for inaccurate wage statements to be approximately
27 \$327,250.00 ($[177 \text{ employees} \times 1 \text{ initial violation/employee} \times \$50 \text{ for an initial violation}] + [(3,361$
28 $\text{pay periods} - 177 \text{ initial violations}) \times \$100 \text{ for each subsequent violation}]$) for inaccurate wage

1 statements based on approximately 177 class members who worked during the 1-year statute of
2 limitations period and approximately 3,361 pay periods in the statutory timeframe. In light of the
3 foregoing, Plaintiff's Counsel believes that it would be unrealistic to expect the Court to award the
4 full \$2,244,006.88 in penalties given Defendant's defenses, the contested nature of Plaintiff's
5 claims, the challenges of establishing willfulness as applicable, and the discretionary nature of
6 penalties. Considering that the underlying wage claims are realistically estimated to be
7 approximately \$421,662.19, such a disproportionate award would also raise due process concerns.
8 As such, Plaintiff's counsel discounted these figures to account for the risk and uncertainty of
9 prevailing at trial, resulting in a realistic evaluation of approximately \$96,735.41 ($\$1,612,256.88$
10 $\times 30\% \times 20\%$) for waiting time penalty claims, and approximately \$19,635.00 ($\$327,250.00 \times 30\%$
11 $\times 20\%$) for wage statement penalty claims, or approximately \$146,820.41 total for statutory
12 penalties.

13 19. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's
14 potential exposure could potentially reach \$304,500.00, assuming the initial \$100 penalty would
15 apply for each of the 3,045 pay periods in the PAGA Period. However, even assuming success on
16 the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
17 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
18 oppressive, or confiscatory. Therefore, Plaintiff's Counsel discounted this figure to account for the
19 risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
20 \$30,450.00 for PAGA penalties ($\$304,500.00 \times 10\%$). The settlement's allocation of \$80,000.00
21 of the Gross Settlement Amount to PAGA amounts to approximately 9.7% of the Gross Settlement
22 Amount. Based on the \$20,000.00 allocated for PAGA Penalties for Aggrieved Employees and
23 there being an estimated 3,045 PAGA Pay Periods, the estimated pay period valuation for
24 individual PAGA payments is \$6.57 per pay period ($\$20,000.00 / 3,045$ pay periods).

25 20. Using these estimated figures, Plaintiff's Counsel predicted that the realistic
26 maximum recovery for all claims, including penalties, would be approximately \$579,807.75.
27 This means that the \$825,000.00 gross settlement figure represents approximately 142.3% of
28 the realistic maximum recovery ($\$825,000.00 / \$579,807.75$). Considering the risk and

1 uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.
2 Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed
3 relief and will avoid the risk of an unfavorable judgment. Based on the figures in the Settlement
4 Agreement, the Net Settlement Amount available for individual class payments is estimated to be
5 approximately \$422,500.00 for a class of approximately 348 persons. As a result, each Settlement
6 Class Member is eligible to receive an average individual class payment of approximately
7 \$1,214.08. Based on the estimated Net Settlement Amount available for individual class payments
8 and there being approximately 16,778 workweeks in the Class Period, the estimated weekly
9 valuation for individual class payments is \$25.18 ($\$422,500.00 / 16,778$ workweeks). Based on
10 these current estimates, the lowest estimated individual class payment could be \$25.18 ($\$25.18 \times$
11 1 week) and the highest estimated individual class payment could be \$7,151.63 ($\$25.18 \times 284$
12 weeks in the Class Period). Based on these current estimates and the fact that Plaintiff worked for
13 Defendant for approximately 213 weeks during the Class Period, Plaintiff's estimated individual
14 class payment is \$5,363.72 ($\$25.18 \times 213$ weeks).

15 **Plaintiff's Counsel's Qualifications**

16 21. Plaintiff is represented by WLF. The attorneys at WLF performed significant work
17 and expended litigation costs in prosecuting this matter with no guarantee of payment.

18 22. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
19 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
20 employees. WLF is actively and continuously practicing in employment litigation, representing
21 employees in both individual and class actions in both state and federal courts throughout
22 California.

23 23. WLF is qualified to handle this Litigation because its attorneys are experienced in
24 litigating Labor Code violations in both individual, class action, and representative action cases.
25 WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as
26 well as class actions involving consumer rights and data privacy litigation.

27 24. I graduated from the University of California, Santa Barbara with High Honors in
28 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law

1 School in 1996.

2 25. Upon graduating from law school in 1996, I worked for a boutique law firm
3 practicing general litigation which included employment law matters. Since 2000 (that is, the last
4 23 years) my practice has been exclusively focused on labor and employment matters including
5 handling wage and hour class, collective and representative actions (including the California
6 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,
7 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
8 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
9 LLP (where I was a partner) and Seyfarth Shaw (where I was a partner and member of the Wage
10 and Hour Practice Group). During my time at these law firms, I was the primary attorney or took
11 a major leading role in defending employers on numerous wage and hour class, collective and
12 representative actions.

13 26. In 2022 I left Seyfarth Shaw and joined my current firm, WLF, to represent plaintiff
14 employees. I have been and am handling many wage and hour class and representative actions
15 litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District
16 Courts. From matters representing both plaintiffs and defendants, I have successfully mediated the
17 resolution of many wage and hour class, collective, and representative actions. Just since last year
18 after joining WLF (and thus joining the plaintiff’s bar) I have already successfully mediated
19 matters in which I have been counsel or co-counsel resulting in over \$183 million in settlements
20 which are in the process of being finalized, and with numerous upcoming mediations scheduled.
21 In those and numerous other matters, I have managed and assisted with the litigation and settlement
22 of many wage and hour PAGA and class actions. In those actions, I performed similar tasks as
23 those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed in
24 achieving a jury verdict in a wage and hour class action in the matter of *Aguilar-Flores v. Javier’s*
25 – *CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438.

26 27. I have received numerous awards for my legal work. For example, from 2015 to
27 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
28 have also served on numerous prominent boards and in other leadership positions, including

1 currently serving as Southern California Regional President for the Hispanic National Bar
2 Association and on the board of directors of the Mexican American Bar Foundation. I also
3 previously served on the 5-member Los Angeles Civil Service Commission, which generally
4 oversees the personnel decisions for the City of Angeles.

5 28. I have also published numerous blogs on labor and employment issues including on
6 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
7 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really
8 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with
9 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a
10 presenter involving the “Employment Law Update” at a National Employment Law Council
11 conference.

12 29. Eugene Zinovyev (“Mr. Zinovyev”) is a Junior Partner at WLF. He graduated from
13 the University of California-Berkeley with a Bachelor of Arts in Political Economy of Industrial
14 Societies, and received his Juris Doctor from the University of California, San Francisco School
15 of Law in 2009. He has practiced employment and wage and hour law since on both the plaintiff
16 and defense sides. Mr. Zinovyev has tried multiple jury cases to verdict as well as numerous bench
17 trials. He has also briefed published appellate court decisions in both state and federal court. Mr.
18 Zinovyev is admitted to practice before all Federal District Courts in California as well as the 9th
19 Circuit Court of Appeals. He is also a member of the California Employment Lawyers Association.
20 He has mediated and settled dozens of class and representative actions as well as individual civil
21 matters.

22 30. John Brown (“Mr. Brown”) is an Associate Attorney at WLF. He was admitted to
23 practice law in the State of California in 2004. Mr. Brown graduated from UC Berkeley with a
24 Bachelor of Arts and received his Juris Doctor from The UCLA School of Law. His current practice
25 has been focused on class action employment law. Mr. Brown has participated in dozens of
26 settlements totaling tens of millions of dollars, from the memorandum of understanding and
27 settlement agreement drafting stage through to final approvals from the court.

28 31. Gabriella Solé (“Ms. Solé”) is a third-year Associate Attorney at Wilshire Law Firm,

1 PLC. She was admitted to practice law in the State of California in 2022. Ms. Solé graduated from
2 University of California, Los Angeles with a Bachelor of Arts in Sociology. She received her Juris
3 Doctor from University of San Francisco, School of Law. During law school, Ms. Solé was a First
4 Year Moot Court Director on the Moot Court Board. Since graduating, her practice has been mainly
5 focused on wage and hour class action litigation.

6 32. Emily Borman (“Ms. Borman”) is a Junior Partner at Wilshire Law Firm, PLC. She
7 was admitted to practice law in the State of California in May 2015. Ms. Borman graduated from
8 Cornell University with a Bachelor of Science in Development Sociology and a Minor in Applied
9 Economics and Management. While at Cornell she was inducted into the Alpha Kappa Delta
10 International Honor Society. Ms. Borman received her Juris Doctor from University of California
11 Law San Francisco (formerly UC Hastings). Since graduating, her practice has been in employment
12 law, including Plaintiff-side wage and hour cases. She has received numerous awards for her legal
13 work. In 2021 and from 2023 to 2025, Super Lawyers selected her as a “Southern California Rising
14 Star.

15 33. Courtney M. Miller (“Ms. Miller”) is a Settlement Attorney at WLF. She was
16 admitted to practice law in the State of California in 2019. Ms. Miller graduated from the
17 University of California, Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming an
18 attorney, Ms. Miller worked at a boutique civil litigation firm for nearly a decade, primarily
19 handling employment matters. She earned her Juris Doctor from Southwestern Law School in
20 2019. Ms. Miller has prosecuted wage and hour class and PAGA actions, almost exclusively, since
21 2020. As a handling attorney, Ms. Miller obtained over \$30 million dollars in settlements on behalf
22 of California employees.

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

25 Executed on November 14, 2025 at Los Angeles, California.

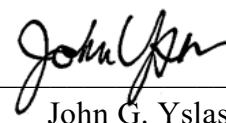
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27
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John G. Yslas

EXHIBIT 1

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Jeffrey Bils, Esq.
Nathan Kingery, Esq.
Elizabeth Votra, Esq.
Benjamin Haber, Esq.
Ghazaleh Attaran, Esq.
Adam Sherman, Esq.
Jesenia Martinez, Esq.
Arrash Fattahi, Esq.
Jesse Chen, Esq.

March 29, 2024

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Keven Steinberg, Esq.
STEINBERG LAW
16133 Ventura Blvd., 7th Floor
Encino, California 91436
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6621 5897 53

James Buffington
Agent for Service of Process
Career Networks Institute, Inc.
2133 Channel Road
Newport Beach, CA 92661
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6621 5897 46

Re: ***Mahogane Davis v. Career Networks Institute, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Mahogane Davis ("Ms. Davis" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employers, Career Networks Institute, Inc. ("CNI" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers' Aggrieved Employees.

Ms. Davis wishes to pursue this action on behalf of Employees as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for CNI in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Ms. Davis' Employment with CNI

CNI is an accredited vocational college. Employee worked as an admissions representative. Employee's primary job function was to evaluate applications and answer questions from prospective students interested in attending the college. In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without compensation. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest

breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums as required by the Labor Code. Additionally, Employee necessarily incurred business-related expenses, such as work attire, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Ms. Davis is a resident of Hacienda Heights, California who worked for Employers in Orange County, California as an hourly-paid, non-exempt employee from approximately January 2019 to approximately October 2023.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

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

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at time required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code

§ 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id.* at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

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

Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks.

Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e., more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted.

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all

wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the

employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages. Employers also violated, and continue to violate, Labor Code section 213(d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization.

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

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with

California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions.

Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers’ failure to keep “accurate and complete” payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (i.e., the Wage Theft Protection Act of

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers’ premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation. This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved

Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages. Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them. Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due. Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155. These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a separate civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.²

² Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.³

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

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³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that "no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law." Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to

work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, et seq.) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, et seq.) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, et seq. and 15 U.S.C. section 1681, et seq., including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FCRA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. See *Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”).

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”).

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600 and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for

servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and

LWDA

Notice of Labor Code Violations and PAGA

March 26, 2024

Page 17 of 17

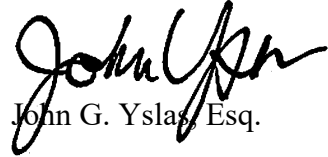
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John Yslas", written over the printed name.

John G. Yslas, Esq.

EXHIBIT 2

John G. Yslas (SBN 187324)
John.yslas@wilshirelawfirm.com
Samantha A. Smith (SBN 233331)
Samantha.smith@wilshirelawfirm.com
Eugene Zinovyev (SBN 267245)
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Attorneys for Plaintiff Mahoganee Davis, individually,
and on behalf of others similarly situated

[ADDITIONAL COUNSEL ON FOLLOWING PAGE]

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

MAHOGANEE DAVIS, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

CAREER NETWORKS INSTITUTE, INC.,
a California corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. 30-2024-01389974-CU-OE-CXC

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

*Assigned for all purposes to: Hon. Lon F.
Hurwitz, Dept. CX-103*

Complaint filed: March 28, 2024

Trial date: Not set

1 Keven Steinberg (SBN 151372)
2 keven@kevensteinberglaw.com
3 **STEINBERG LAW**
4 16133 Ventura Boulevard, 7th Floor
5 Encino, California 91436
6 Telephone: (818) 855-1103

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Attorneys for Defendant Career Networks Institute, Inc.

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiff Mahoganee Davis (“Plaintiff”) and Defendant Career Networks Institute, Inc.
3 (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or
4 individually as “Party.”

5 1. **DEFINITIONS.**

6 1.1 “Actions” means Plaintiff’s lawsuits alleging class action wage and hour violations
7 against Defendant captioned *Mahoganee Davis v. Career Networks Institute, Inc.*, Orange County
8 Superior Court, Case No. 30-2024-01389974-CU-OE-CXC , filed on March 28, 2024 (“Class
9 Action”) and Case No. 30-2024-01403871-CU-OE-CXC, filed on June 3, 2024 (“PAGA
10 Action”).

11 1.2 “Administrator” means Apex Class Action Administration, the neutral entity the Parties
12 have agreed to appoint to administer the Settlement.

13 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
14 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
15 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
16 Approval of the Settlement.

17 1.4 “Aggrieved Employee” means all current and former hourly, non-exempt employees
18 employed by Defendant in the State of California during the PAGA Period.

19 1.5 “Class” means all current and former hourly, non-exempt employees who were
20 employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary,
21 staffing agency, or professional employer organization, in the State of California during the Class
22 Period.

23 1.6 “Class Counsel” means John G. Yslas, Samantha A. Smith, Eugene Zinovyev, John
24 Brown, and Gabriella Solé of Wilshire Law Firm, PLC.

25 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
26 Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiff will
27 request approval from the Court of up to one-third (1/3) of the GSA (currently \$275,000.00).
28

1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$30,000.00, and paid from the Gross Settlement Amount.

1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 “Class Period” or “Class Settlement Period” means the period from October 2, 2019, to March 11, 2025 (“Settlement Class Period”).

1.14 “Class Representative(s)” means the named Plaintiff Mahoganee Davis in the Actions.

1.15 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of Orange.

1.17 “Defendant” means named Defendant Career Networks Institute, Inc.

1.18 “Defense Counsel” means Keven Steinberg of Steinberg Law.

1.19 “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no

1 Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if
2 one or more Participating Class Members objects to the Settlement, the day after the deadline for
3 filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed,
4 the day after the appellate court affirms the Judgment and issues a remittitur.

5 1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

6 1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval
7 of the Settlement.

8 1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final
9 Approval of the Settlement.

10 1.23 “Gross Settlement Amount” or “GSA” means \$825,000.00, which is the total amount
11 Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

12 1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of
13 the Net Settlement Amount calculated according to the number of Workweeks worked during the
14 Class Period.

15 1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25%
16 of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during
17 the PAGA Period.

18 1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

19 1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency
20 entitled, under Labor Code section 2699, subd. (i).

21 1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
22 under Labor Code section 2699, subd. (i).

23 1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following
24 payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class
25 Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration
26 Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class
27 Payments.
28

1.30 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.32 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

1.33 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.34 “PAGA Period” means the period from March 29, 2023, to March 11, 2025.

1.35 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.36 “PAGA Notice” means Plaintiff’s March 29, 2024 letter (LWDA-CM-1019309-24) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.37 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$80,000.00), allocated 25% to the Aggrieved Employees (\$20,000.00) and 75% to LWDA (\$60,000.00) in settlement of PAGA claims.

1.38 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.39 “Plaintiff” means Mahoganee Davis, the named plaintiff in the Actions.

1.40 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.41 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.42 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.43 “Released Parties” means Defendant and Defendant’s officers, directors, employees and agents.

1.44 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.45 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.46 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1.47 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On March 28, 2024, Plaintiff filed the Class Action alleging Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for expenditures; (8) failed to produce requested employment records; and (9) violated California’s Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* On March 29, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiff gave notice to the LWDA and Defendant that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-1019309-24). On June 3, 2024, after the 65-day statutory period passed, Plaintiff filed the PAGA Action, alleging claims for penalties pursuant to Labor Code § 2699, *et seq.*

2.2 Defendant denies the allegations in the Actions, denies any failure to comply with the laws identified in the Actions, and denies any and all liability for the causes of action alleged in the Actions.

2.3 On March 11, 2025, the Parties participated in an all-day mediation presided over by mediator Deborah Crandall Saxe, Esq. With the help of Ms. Saxe, the Parties were able to reach an agreement on general settlement terms at mediation and executed a Memorandum of Understanding thereafter.

1 2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
2 of, and applicable law to, the Actions. Prior to mediation, Plaintiff obtained and analyzed a
3 representative sampling of time and payroll data for Class Members and the necessary policy
4 documents through informal discovery to properly evaluate the strengths and weakness of the
5 claims and engage in meaningful settlement discussions. Plaintiff's investigation was sufficient
6 to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48
7 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-
8 130 (2008) ("*Dunk/Kullar*").

9 2.5 The Court has not granted class certification because the Parties engaged in mediation
10 before any class certification.

11 2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
12 other pending matter or action asserting claims that will be extinguished or affected by the
13 Settlement.

14 3. **MONETARY TERMS.**

15 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
16 Defendant will pay \$825,000.00 to fully settle, resolve, and extinguish all claims asserted in the
17 Actions, including without limitation all claims asserted in the PAGA Notice. The Gross
18 Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the
19 wage portions of the Individual Class Payments, which Defendant will pay separately.

20 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
21 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
22 in the Final Approval:

23 3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than
24 \$10,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment the
25 Class Representative is entitled to receive as a Participating Class Member. Defendant will not
26 oppose Plaintiff's request for an Enhancement Award that does not exceed this amount. As part
27 of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiff will seek
28 Court approval for any Enhancement Award no later than 16 (sixteen) court days prior to the

1 Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an
2 Enhancement Award less than the amount requested, the Administrator will retain the remainder
3 in the Net Settlement Amount to be distributed to Participating Class Members. The
4 Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiff assumes full
5 responsibility and liability for employee taxes owed on the Enhancement Award.

6 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
7 of the GSA, which is currently estimated to be \$275,000.00 and a Class Counsel Litigation
8 Expenses Payment for actual costs. Defendant will not oppose requests for these payments.
9 Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses
10 Payment no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise
11 ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
12 Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the
13 remainder to the Net Settlement Amount for distribution to Participating Class Members.
14 Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising
15 from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation
16 Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class
17 Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full
18 responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class
19 Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant,
20 from any dispute or controversy regarding any division or sharing of any of these Payments.

21 3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to
22 exceed \$7,500.00 except for a showing of good cause and as approved by the Court. To the extent
23 the Administration Costs are less or the Court approves payment of less than requested, the
24 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
25 Participating Class Members.

26 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
27 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
28

1 Participating Class Members during the Class Period, and (b) multiplying the result by each
2 individual Participating Class Member's Workweeks.

3 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of
4 each Participating Class Member's Individual Class Payment will be allocated to the Settlement
5 of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be
6 reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class
7 Member's Individual Class Payment will be allocated to the settlement of claims for interest and
8 penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage
9 withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full
10 responsibility and liability for any employee taxes owed on their Individual Class Payment.

11 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual
12 Class Payments. Non-Participating Class Members will not receive any Individual Class
13 Payments. The Administrator will retain amounts equal to their Individual Class Payments in the
14 Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

15 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
16 \$80,000.00 to be paid from the Gross Settlement Amount, with 75% (\$60,000.00) allocated to the
17 LWDA PAGA Payment and 25% (\$20,000.00) allocated to the Individual PAGA Payments.

18 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
19 dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$20,000.00)
20 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
21 PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA
22 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on
23 their Individual PAGA Payment.

24 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
25 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
26 Participating Class Members. The Administrator will report the Individual PAGA Payments on
27 IRS 1099 Forms.

1 **4. SETTLEMENT FUNDING AND PAYMENTS.**

2 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
3 records, Defendant represents there are 348 Class Members who collectively worked a total of
4 6,300 workweeks during the Class Period.

5 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of
6 the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
7 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
8 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement
9 and for no other purpose, and restrict access to the Class Data to Administrator employees who
10 need access to the Class Data to effect and perform under this Agreement. Defendant has a
11 continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted
12 class member identifying information and to provide corrected or updated Class Data as soon as
13 reasonably feasible. Without any extension of the deadline by which Defendant must send the
14 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts,
15 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
16 Data.

17 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
18 Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting
19 the funds to the Administrator no later than 30 (thirty) calendar days after the Effective Date.

20 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
21 fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all
22 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the
23 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the
24 Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel
25 Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of
26 Individual Class Payments and Individual PAGA Payments.

27 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
28 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The

face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided (“Void Date”). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual

Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff discharges Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions; and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Released Class Claims: All Participating Class Members will waive and release all claims asserted in the complaint filed in the Class Action or that could have been based on the factual allegations asserted in the complaint filed in the Class Action during the Class Period (collectively the "Released Class Claims").

5.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff's PAGA Notice to the

1 LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts
2 asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties
3 (collectively the “Released PAGA Claims”).

4 6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for
5 preliminary approval (“Motion for Preliminary Approval”).

6 6.1 **Plaintiff’s Responsibilities**. Plaintiff will prepare all documents necessary for obtaining
7 Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the
8 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*
9 and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2));
10 (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement;
11 (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff confirming willingness
12 and competency to serve and disclosing all facts relevant to any actual or potential conflicts of
13 interest with Class Members, and/or the Administrator; (v) a signed declaration from Class
14 Counsel firm attesting to its competency to represent the Class Members; its timely transmission
15 to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant
16 to any actual or potential conflict of interest with Class Members, and/or the Administrator. In
17 their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other
18 pending matter or action asserting claims that will be extinguished or adversely affected by the
19 Settlement.

20 6.2 **Responsibilities of Counsel**. Class Counsel and Defense Counsel are jointly responsible
21 for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a
22 prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary
23 Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the
24 Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

25 6.3 **Duty to Cooperate**. If the Parties disagree on any aspect of the proposed Motion for
26 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
27 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
28 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant

1 Preliminary Approval or conditions Preliminary Approval on any material change to this
2 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
3 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
4 otherwise satisfy the Court's concerns.

5 **7. SETTLEMENT ADMINISTRATION.**

6 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action
7 Administration to serve as the Administrator and verified that, as a condition of appointment, the
8 Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
9 specified in this Agreement in exchange for payment of Administration Costs. The Parties and
10 their Counsel represent that they have no interest or relationship, financial or otherwise, with the
11 Administrator other than a professional relationship arising out of prior experiences administering
12 settlements.

13 7.2 Employer Identification Number. The Administrator shall have and use its own
14 Employer Identification Number for purposes of calculating payroll tax withholdings and
15 providing reports to state and federal tax authorities.

16 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
17 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
18 section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into
19 the QSF prior to distribution by the Administrator will become part of the NSA for distribution
20 to Participating Class Members.

21 7.4 Notice to Class Members.

22 7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator
23 shall notify Class Counsel that the list has been received and state the number of Class Members,
24 Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

25 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days
26 after receiving the Class Data, the Administrator will send to all Class Members identified in the
27 Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice
28 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class

1 Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or
2 Individual PAGA Payment payable to the Class Member, and the number of Workweeks and
3 PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the
4 Administrator shall update Class Member addresses using the National Change of Address
5 database.

6 7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class
7 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
8 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
9 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
10 Notice to the most current address obtained. The Administrator has no obligation to make further
11 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
12 USPS a second time.

13 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks
14 and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond
15 the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-
16 mailed. The Administrator will inform the Class Member of the extended deadline with the re-
17 mailed Class Notice.

18 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise
19 discovers any persons who believe they should have been included in the Class Data and should
20 have received Class Notice, the Parties will expeditiously meet and confer in person or by
21 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
22 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
23 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
24 requiring them to exercise options under this Agreement not later than 14 days after receipt of
25 Class Notice, or the deadline dates in the Class Notice, whichever are later.

26 7.5 Requests for Exclusion (Opt-Outs).

27 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
28 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not

1 later than 45 days after the Administrator mails the Class Notice (plus an additional 14) days for
2 Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
3 Member or his/her representative that reasonably communicates the Class Member's election to
4 be excluded from the Settlement and includes the Class Member's name, address and email
5 address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed,
6 or postmarked by the Response Deadline.

7 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
8 to contain all the information specified in the Class Notice. The Administrator shall accept any
9 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
10 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
11 determination shall be final and not appealable or otherwise susceptible to challenge. If the
12 Administrator has reason to question the authenticity of a Request for Exclusion, the
13 Administrator may demand additional proof of the Class Member's identity. The Administrator's
14 determination of authenticity shall be final and not appealable or otherwise susceptible to
15 challenge.

16 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
17 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
18 bound by all terms and conditions of the Settlement, including the Participating Class Members'
19 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
20 Class Member actually receives the Class Notice or objects to the Settlement.

21 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
22 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
23 right to object to the class action components of the Settlement. Because future PAGA claims are
24 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
25 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
26 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

27 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five)
28 days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for

Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Enhancement Award.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including

1 the date, time and location for the Final Approval Hearing and copies of the Settlement
2 Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
3 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
4 Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The
5 Administrator will also maintain and monitor an email address and a toll-free telephone number
6 to receive Class Member calls, faxes and emails.

7 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
8 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
9 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
10 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
11 and other identifying information of Class Members who have timely submitted valid Requests
12 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
13 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
14 Exclusion from Settlement submitted (whether valid or invalid).

15 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
16 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
17 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
18 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
19 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
20 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
21 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
22 objections received.

23 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
24 address and make final decisions consistent with the terms of this Agreement on all Class Member
25 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
26 shall be final and not appealable or otherwise susceptible to challenge.

27 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which
28 Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator

1 will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
2 Court attesting to its due diligence and compliance with all of its obligations under this
3 Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned
4 as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total
5 number of Requests for Exclusion from Settlement it received (both valid or invalid), the number
6 of written objections and attach the Exclusion List. The Administrator will supplement its
7 declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
8 for filing the Administrator's declaration(s) in Court.

9 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator
10 disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel
11 and Defense Counsel with a final report detailing its disbursements by employee identification
12 number only of all payments made under this Agreement. At least 15 days before any deadline
13 set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
14 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
15 payments required under this Agreement. Class Counsel is responsible for filing the
16 Administrator's declaration in Court.

17 8. ESCALATOR CLAUSE. Based on its records, Defendant represents there are 348 Class
18 Members who collectively worked a total of 16,778 Workweeks during the Class Period. Should
19 the Workweeks increase more than 10% (i.e. more than 1,677.8 workweeks), the GSA will
20 increase on a proportional basis equal to the percentage increase in the number of Workweeks
21 worked by the Class Members above the 10% (for example, if the final number of total
22 workweeks increases by 15%, the GSA will increase 5%).

23 9. MOTION FOR FINAL APPROVAL. Not later than 16 (sixteen) court days before the
24 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in
25 Court, a Motion for Final Approval of the Settlement that includes a request for approval of the
26 PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order;
27 and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts
28 of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class

Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is

1 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
2 of the Net Settlement Amount.

3 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
4 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
5 modification of this Agreement (including, but not limited to, the scope of release to be granted
6 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
7 expeditiously work together in good faith to address the appellate court's concerns and to obtain
8 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
9 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
10 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
11 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
12 Settlement Amount remains unchanged.

13 10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
14 Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended
15 judgment.

16 11. **ADDITIONAL PROVISIONS.**

17 11.1 No Admission of Liability, Class Certification or Representative Manageability for
18 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
19 claims. Nothing in this Agreement is intended or should be construed as an admission by
20 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
21 any liability for any claims asserted; nor should it be intended or construed as an admission by
22 Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class
23 certification and representative treatment is for purposes of this Settlement only. If, for any
24 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
25 reserves the right to contest certification of any class for any reason, Defendant reserves all
26 available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class
27 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
28 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be

admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

1 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
2 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
3 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
4 its terms, and to execute any other documents reasonably required to effectuate the terms of this
5 Agreement including any amendments to this Agreement.

6 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
7 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
8 Settlement Agreement, submitting supplemental evidence and supplementing points and
9 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
10 or content of any document necessary to implement the Settlement, or on any modification of the
11 Agreement that may become necessary to implement the Settlement, the Parties will seek the
12 assistance of a mediator and/or the Court for resolution.

13 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
14 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
15 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
16 action, or right released and discharged by the Party in this Settlement.

17 11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
18 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
19 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
20 Part 10, as amended) or otherwise.

21 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
22 modified, changed, or waived only by an express written instrument signed by all Parties or their
23 representatives, and approved by the Court.

24 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure
25 to the benefit of, the successors of each of the Parties.

26 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
27 governed by and interpreted according to the internal laws of the state of California, without
28 regard to conflict of law principles.

1 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
2 of this Agreement. This Agreement will not be construed against any Party on the basis that the
3 Party was the drafter or participated in the drafting.

4 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
5 entered during Action and in this Agreement relating to the confidentiality of information shall
6 survive the execution of this Agreement.

7 11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is
8 inserted for convenience of reference only and does not constitute a part of this Agreement.

9 11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
10 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
11 weekend or federal legal holiday, such date or deadline shall be on the first business day
12 thereafter.

13 11.16 Notice. All notices, demands, or other communications between the Parties in
14 connection with this Agreement will be in writing and deemed to have been duly given as of the
15 third business day after mailing by United States mail, or the day sent by email or messenger,
16 addressed as follows:

17 To Plaintiff:

18 John G. Yslas
19 john.yslas@wilshirelawfirm.com
20 Samantha A. Smith
21 Samantha.smith@wilshirelawfirm.com
22 Eugene Zinovyev
23 Eugene.zinovyev@wilshirelawfirm.com
24 John Brown
25 John.brown@wilshirelawfirm.com
26 Gabriella Solé
27 gabriella.sole@wilshirelawfirm.com
28 **WILSHIRE LAW FIRM**
 3055 Wilshire Blvd., 12th Floor
 Los Angeles, California 90010
 Telephone: (213) 381-9988
 Facsimile: (213) 381-9989

To Defendant:

 Keven Steinberg
 keven@kevensteinberglaw.com

STEINBERG LAW

16133 Ventura Boulevard, 7th Floor
Encino, California 91436
Telephone: (818) 855-1103

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

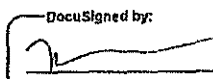
11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Orange County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

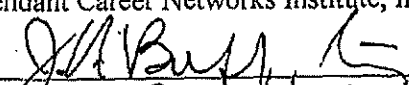
IT IS SO AGREED.

By the Parties:

DATED: 6/10/2025

DocuSigned by:

CB79145B306341C...
Plaintiff Mahogane Davis

DATED: 6/19/25

JAMES BUFFINGTON
Defendant Career Networks Institute, Inc.
By: 
Position: PRESIDENT

1 Approved by counsel:

2 DATED: June 4, 2025

WILSHIRE LAW FIRM

3
4 BY: 
5 John G. Yslas
6 Eugene Zinovyev
7 Counsel for Plaintiff Career Networks Institute, Inc.

8 DATED:

6/20/2025

STEINBERG LAW

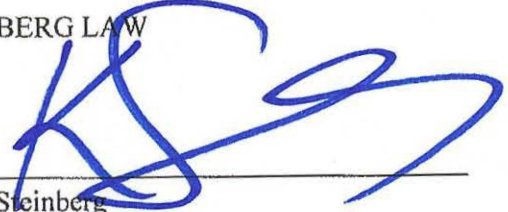
9
10 BY: 
11 Keven Steinberg
12 Counsel for Career Networks Institute, Inc.

EXHIBIT A

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

*Mahoganee Davis v. Career Networks Institute, Inc.,
Orange County Superior Court, Case No. 30-2024-01389974-CU-OE-CXC*

***The Orange County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.***

***Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be
deemed to have carefully read and understood it.***

You may be eligible to receive money from an employee class and representative action lawsuit (“Action”) against Career Networks Institute, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by former employee, Mahoganee Davis, and seeks (1) payment of unpaid wages and other relief for a class of hourly-paid non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (October 2, 2019, to March 11, 2025); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (March 29, 2023, to March 11, 2025) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. **READ THIS NOTICE CAREFULLY**. You will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class Settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court that you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant’s records indicate that you worked for Defendant Career Networks Institute, Inc. at some point(s) between October 2, 2019, to March 11, 2025, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members’ claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys General Act (“PAGA”). If you are a Class Member, you are also an “Aggrieved Employee” if you worked for Defendant during the “PAGA Period,” which is March 29, 2023, to March 11, 2025.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator’s contact information can be found in Section 12 below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Orange County Superior Court. The case is titled *Mahogane Davis v. Career Networks Institute, Inc.*, Case No. 30-2024-01389974-CU-OE-CXC. The person who

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sued, Mahogane Davis is the Plaintiff, and the company sued, Career Networks Institute, Inc., is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuits alleges wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods and pay meal period premiums; (4) failure to provide rest periods and pay miss rest period premiums; (5) failure to pay all wages earned and unpaid at separation; (6) failure to furnish accurate itemized wage statements; (7) failure to indemnify all necessary business expenditures; (8) failure to produce requested employment records; and (9) unfair business practices. In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiff’s claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes she would win at trial. Defendant thinks that Plaintiff’s lawsuit would not proceed to a trial and/or that Plaintiff would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believe the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all current and former hourly non-exempt employees who were employed by Defendant, either directly or through any predecessor, successor, assign, subsidiary, staffing agency, or professional employer organization, in State of California at any time from October 2, 2019, to March 11, 2025.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$825,000.00 to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of one third (1/3) of the GSA or \$275,000.00 and reimbursement for actual costs up to \$30,000.00; Class Representative Service Payment of \$10,000.00 to the Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$80,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Apex Class Action Administration (“Apex”), not to exceed \$7,500.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval Hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately **\$422,500.00**. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$80,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA to be paid out of the GSA. As required under PAGA, 75% of the PAGA Penalties payment, or \$60,000.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$20,000.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (October 2, 2019, to March 11, 2025). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from March 29, 2023, to March 11, 2025 (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported

on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement. *See, e.g., Robinson v So. County Oil*, 53 Cal. App. 476 (2020).

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Approval Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when an appeal can be resolved and an appellate proceeding can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 40 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the claims described below against Defendant and Defendant's officers, directors, employees, and agents ("Released Parties"). The releases become effective once Defendant fully funds the GSA and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments.

Released Class Claims: All Participating Class Members will waive and release all claims asserted in the complaint filed in the Class Action or that could have been based on the factual allegations asserted in the complaint filed in the Class Action during the Class Period.

Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiff's PAGA Notice to the LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, by no later than [45 days after Class Notice is Mailed], you must send the Settlement Administrator a letter stating your name and a statement that you request exclusion from the Class and do not wish to participate in the Settlement. In your letter requesting exclusion from the Class, be sure to identify the Action as the "Career Networks Institute, Inc. Settlement." You may mail, email, or fax your request for exclusion to the Settlement Administrator as follows:

Apex Class Action Administration
Career Networks Institute, Inc. Settlement
[Mailing Address]
[Email Address]
[Fax Number]

The Settlement Administrator must be sent your request to be excluded by [45 days after Class Notice is Mailed], or it will be invalid. If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Class, you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (March 29, 2023, to March 11, 2025). If you timely exclude yourself from the Settlement, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [45 days after Class Notice is Mailed].

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

Maybe. If you exclude yourself from the Class Settlement, you will not receive an Individual Class Payment from this Settlement. However, if you were an hourly non-exempt employee employed by

Defendant in California during the PAGA Period, you will receive an Individual PAGA Payment from the PAGA settlement and be bound by it.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
John.yslas@wilshirelawfirm.com
Eugene Zinovyev
Eugene.zinovyev@wilshirelawfirm.com
John Brown
John.brown@wilshirelawfirm.com
Gabriella Solé
gabriella.sole@wilshirelawfirm.com
Emily Borman
emily.borman@wilshirelawfirm.com
Courtney M. Miller
courtney.miller@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to one third (1/3) of the GSA, currently \$275,000.00, for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court approval of up to \$30,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to Plaintiff Mahoganee Davis in the amount of \$10,000.00 in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award a Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing and/or you can submit a written objection to the Settlement Administrator by the deadline. Written objections must be sent to the

Settlement Administrator by [45 days after Class Notice is Mailed], being sure to identify the Action as the “Career Networks Institute, Inc. Settlement.”

Apex Class Action Administration
Career Networks Institute, Inc. Settlement
[Address]
[Email Address]
[Fax Number]

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval Hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a timely written objection, you may still appear at the Final Approval Hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT’S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the Class Settlement no longer affects you, and you do not get any money from the Class Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

19. HOW WILL OBJECTIONS, OPT-OUTS, AND DISPUTES BE ADDRESSED?

For objections, opt-outs, and disputes regarding your number of Workweeks or Pay Periods listed in this Notice, the Settlement administrator may make the initial decision regarding claim disputes, but the Court may review any decision made by the Settlement Administrator regarding a claim dispute at the Final Approval Hearing.

THE COURT’S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don’t have to.

20. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing on [redacted] at [redacted] in Department CX-102 of the Orange County Superior Court (Civil Complex Center) located at 751 W. Santa Ana Blvd., Santa Ana, California 92701.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. You may also confirm the date set for the Final Approval Hearing via the Superior Court website by going to <https://courtindex.occourts.org/disclaimer.jsp> and entering the Case Number for the Action, Case No. 30-2024-01389974-CU-OE-CXC.

21. DO I HAVE TO COME TO THE HEARING?

No, but you are welcome to attend. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually by selecting Department CX-102's link for civil remote hearings at <https://www.occourts.org/civil-remote-hearings>. Check the Court's website for the most current information.

If you send an objection to the settlement administrator, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator, the Court will consider it. Generally, the Court will hear from any Class Members who attend the Final Approval Hearing and ask to speak regarding an objection, irrespective of whether the Class Member submitted a written objection in advance.

IF YOU DO NOTHING

22. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

23. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other key Settlement documents is to go to the [ADMINISTRATOR] website at [REDACTED]. You can also telephone or send an email to Class Counsel at the contact information listed above in Section 15 or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://courtindex.occourts.org/disclaimer.jsp> and entering the Case Number for the Action, Case No. 30-2024-01389974-CU-OE-CXC.

You may also contact the Court-appointed Settlement Administrator, Apex Class Action Administration, by calling toll free 1-800-[REDACTED], or writing to the Settlement Administrator using the following contact information:

Apex Class Action Administration
Career Networks Institute, Inc. Settlement

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

[Mailing Address]

[Email Address]

[Fax Number]

PLEASE DO NOT TELEPHONE THE COURT OR CAREER NETWORK INSTITUTE, INC.'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

EXHIBIT 3

Christina Hicklin

From: no-reply@formassembly.com
Sent: Friday, November 14, 2025 4:06 PM
To: Christina Hicklin
Subject: Thank you for your Proposed Settlement Submission

11/14/2025 04:05:56 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 11/14/2025 04:05:56 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1019309-24

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cchristina.hicklin%40wilshirelawfirm.com%7Cb173cb95f68f4de08f4a08de23dac78c%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638987619730664331%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoiTWFpbCIsIlIdUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=FpgxLlgtiTDaPu1OrNlXuGncrRPq%2BfEOjA63zZFc%2BAQ%3D&reserved=0