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on behalf of herself and others similarly situated

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

AMANDA TALBOT, an individual, on
behalf of herself and others similarly
situated,

Plaintiff,

v.

SKYSLOPE, INC., a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 24CV004674

CLASS ACTION

Assigned for All Purposes To:

Hon. Lauri A. Damrell

Dept.: 22

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: October 24, 2025

Time: 1:30 P.M.

Dept.: 22

Original Complaint Filed: March 11, 2024

First Amended Complaint Filed: May 15, 2024

Trial Date: None Set

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1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Courts for the Central, Southern, Eastern and Northern Districts of California. I am Senior Counsel at D.Law, Inc. (“D.Law”), and attorney of record for Plaintiff Amanda Talbot (“Plaintiff”) on behalf of herself and other similarly situated employees of Defendant SkySlope, Inc. (“Defendant”) (Plaintiff and Defendant together referred to as the “Parties”).

3. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I submit this Declaration in support of the Motion for Preliminary Approval, filed by Plaintiff, on behalf of herself and other similarly situated employees of Defendant, and without opposition from Defendant, for preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"), a true and correct copy of which is attached hereto as **Exhibit 1**.

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5. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and aggrieved employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before

1 this Court.

2 6. D.Law has litigated and successfully resolved many wage and hour class action cases
3 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La
4 Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787),
5 Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of
6 California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of
7 California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in
8 Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-
9 cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los
10 Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles,
11 BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
12 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in
13 Los Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior
14 Court of California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc.
15 (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v.
16 Victor Valley Global et al. (Superior Court of California in San Bernardino, CIVDS1709289),
17 Puerta-Gildardo v. Real Time Staffing Services LLC et. al. (Superior Court of California in Los
18 Angeles, BC565445), Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in
19 Tulare, 270836), Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-
20 cv-05534-LHK), Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-
21 cv-04910-FMO), Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-
22 02356-H-JMA), Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-
23 RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los Angeles,
24 BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of
25 California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area
26 Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-
27 00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-
28 17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV 18-

1 903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera,
2 MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in Los
3 Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court of
4 California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of
5 California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of
6 California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court
7 of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior
8 Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX
9 Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino,
10 CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles,
11 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-
12 cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in
13 Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in
14 Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San
15 Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of
16 California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior
17 Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc.
18 (Superior Court of California in San Bernardino, CIVDS1915743), Viridi v. Absolute Security
19 International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First
20 Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS),
21 Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-
22 00008179-CU-OE-NC), among others.

23 7. As Senior Counsel at D.Law, I manage the class action and PAGA settlement
24 department. I was admitted to the California Bar in December 2008. I received my J.D. from
25 Pepperdine University School of Law and B.S. from University of Southern California. Since
26 graduating from law school, I have dedicated virtually my entire career on the practice of
27 employment law. I have practiced employment law from the plaintiff's side, defense side, and
28 from an in-house position. I have significant experience specifically working on wage and hour

1 class actions from the plaintiff's side as well as the defense side, with the majority of my
2 experience coming from the plaintiff's side representing employees and obtaining significant
3 settlements on their behalf.

4 8. The collective experience of the D.Law attorneys in litigating employment wage and
5 hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses
6 of a case, and generally negotiating fair and reasonable class and representative action
7 settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge
8 concerning the constantly evolving substantive law (state and federal), as well as the procedural
9 law of class and representative action litigation. In this action, the attorneys at D.Law are fully
10 equipped to use the skills and knowledge developed over decades of prosecuting and defending
11 wage and hour class actions to fairly and adequately represent the interests of the class members.
12 Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-
13 qualified to act as class counsel and represent Plaintiff and the putative class members in this
14 action.

15 9. For purposes of this motion, the "Class" or "Class Members" consist of "all persons
16 employed by Defendant in California and classified as non-exempt hourly employee who worked
17 for Defendant during the Class Period," which is "the period from March 12, 2020 to the earlier
18 of either: (a) the date the Court grants preliminary approval of the Settlement or (b) 90 days after
19 acceptance of the mediator's proposal, which is March 10, 2025." (Exh. 1 §§ 1.5 and 1.12.) For
20 purposes of this motion, an "Aggrieved Employees" means "a person employed by Defendant in
21 California and classified as a non-exempt hourly employee who worked for Defendant during the
22 PAGA Period," which is "the period from March 12, 2023 to the earlier of either: (a) the date the
23 Court grants preliminary approval of the Settlement or (b) 120 days after acceptance of the
24 mediator's proposal, which is April 9, 2025." (Exh. 1 §§ 1.4 and 1.31.)

25 10. I do not believe that I have any conflicts of interest with the Class or with the Class
26 Representative. I am not related to the Class Representative. I have not previously represented
27 Defendant in any matter. I respectfully submit that I, and D.Law are well suited to act as Class
28 Counsel in this action, and we have and will continue to vigorously represent the interests of the

1 Class Members.

2 **PROCEDURAL HISTORY**

3 11. On March 11, 2024, Plaintiff commenced a Class Action by filing a Complaint alleging
4 causes of action against Defendant for (1) Failure to Pay Minimum Wages; (2) Failure to Pay
5 Wages and Overtime under Labor Code § 510; (3) Failure to Pay Vacation Wages; (4) Failure to
6 Comply with Labor Code §§ 245 *et seq.* and 246; (5) Meal Period Liability Under Labor Code §
7 226.7; (6) Rest Break Liability Under Labor Code § 226.7; (7) Violation of Labor Code § 226; (8)
8 Failure to Maintain Records Under Labor Code §§1174 and 1174.5; (9) Violation of Labor Code
9 § 203; (10) Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802; and
10 (11) Violation of Business & Professions Code § 17200 *et seq.* On March 11, 2024, pursuant to
11 Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the
12 LWDA by sending the PAGA Notice (LWDA-CM-1016034-24). The PAGA Notice submitted
13 on behalf of Plaintiff is attached hereto as **Exhibit 2**. On May 15, 2024, Plaintiff filed a First
14 Amended Complaint adding a twelfth cause of action for penalties under PAGA (“Operative
15 Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to
16 comply with the laws identified in in the Operative Complaint, and denies any and all liability for
17 the causes of action alleged.

18 **PLAINTIFF’S CLAIMS AND DEFENDANT’S DENIALS**

19 12. Plaintiff’s claims are based on Defendant’s alleged failure to pay Class Members all
20 wages due and owing (including off-the-clock work, and overtime), failure to provide meal and
21 rest breaks, failure to pay vacation wages and sick pay, failure to furnish accurate wage
22 statements, failure to maintain accurate time and wage records, failure to timely pay wages
23 including final wages, and failing to reimburse necessary business expenses, and largely
24 derivative claims under the Unfair Competition Law (“UCL”) and PAGA.

25 13. Specifically, Plaintiff alleges that Defendant required Plaintiff and Class Members to
26 perform work off-the-clock, including booting up and logging into their computers prior to
27 clocking in. Plaintiff alleges that Defendant required Plaintiff and Class Members to work past
28 their scheduled shift end time and perform work after clocking out for the day, including

1 immediately responding to work related calls and messages on their personal cell phones.
2 Moreover, Plaintiff alleges that Defendant required Plaintiff and Class Members to attend
3 monthly and quarterly meetings at the office while Plaintiff and Class Members were off the
4 clock.

5 14. Plaintiff alleges that Defendant failed to pay Class Members all wages due and owing
6 because Defendant failed to incorporate non-discretionary bonuses and/or commissions into the
7 regular rate of pay Defendant used to calculate and pay for overtime, sick pay, vacation pay, and
8 meal and rest break premiums.

9 15. Plaintiff also alleges that Defendant systematically denied Plaintiff and Class Members
10 the opportunity to take meal periods and rest periods. Furthermore, Plaintiff alleges that
11 Defendant failed to compensate Plaintiff and Class Members for each meal period or rest period
12 not provided.

13 16. Plaintiff also alleges that Defendant required Plaintiff and Class Members to use their
14 personal mobile devices for work-related activities, such as requiring Plaintiff and Class Members
15 to download apps for work related purposes and responding to work related calls and messages
16 outside working hours. Plaintiff worked from home and was not reimbursed for any of the
17 operating costs from working from home, such as internet and utilities. However, Plaintiff and
18 Class Members were not fully reimbursed for these necessary expenses.

19 17. Plaintiff also alleges that Defendant has also consistently failed to provide Class
20 Members with timely, accurate, and itemized wage statements, in writing, and failed to keep
21 accurate time and wage records.

22 18. Defendant denies each and all the allegations in the Operative Complaint and PAGA
23 Notice, denies any failure to comply with the laws identified in the Operative Complaint, and
24 denies any and all liability for the causes of action alleged.

25 **INVESTIGATION AND DISCOVERY**

26 19. Before filing the lawsuit, Class Counsel investigated and researched the facts and
27 circumstances underlying the pertinent issues and the law applicable thereto. This required
28 thorough discussions and interviews between Class Counsel and Plaintiff, as well as preliminary

1 research into the various legal issues involved in the case. After conducting their initial
2 investigation, Class Counsel determined that Plaintiff's claims were well-suited for class and
3 representative action adjudication owing to what appeared to be a common course of conduct
4 affecting a similarly situated group of employees.

5 20. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts
6 and claims giving rise to the action, including: (1) conducting informal discovery and meeting
7 and conferring with defense counsel about the same; (2) hiring an expert to review and analyze a
8 sampling of Defendant's time and pay records; (3) researching the applicable law and potential
9 defenses; (4) constructing damage models based on interpretations of California law; and (5)
10 reviewing information provided by Defendant at mediation.

11 21. Class Counsel's expert analysis was informed by a 20% sampling of time and pay
12 records produced by Defendant, which is statistically reliable.

13 22. Defendant, for its part, vigorously contested liability, the amount of claimed damages,
14 and the propriety of class certification. After Class Counsel analyzed the relevant documents and
15 other gathered data, Class Counsel believed that this case was appropriate for resolution via
16 mediation. Given the high level of risk present for both sides, the Parties elected to mediate
17 Plaintiff's claims and explore the possibility of settlement.

18 23. On December 6, 2024, the Parties participated in an all-day mediation presided over by
19 Brandon McKelvey, Esq. During mediation, Plaintiff's and Defendant's counsel discussed all
20 aspects of the case, including the risks of litigation and the risks to both parties of proceeding
21 with a motion for class certification as well as the law relating to unpaid wages, meal periods, rest
22 periods, wage statements, and final pay. As a result of the mediation, the Parties agreed to settle
23 the lawsuit according to the terms set forth in the Settlement Agreement.

24 24. From Class Counsel's review of the strengths and weaknesses of the case and the risks
25 and delays posed by further litigation, Class Counsel believes that the Settlement is fair and
26 reasonable. Further, and based on the settlement negotiations, which were extensive and
27 conducted in good faith and at arm's length between attorneys with substantial experience
28 litigating class actions and wage and hour cases, the Settlement Agreement was the product of a

1 non-collusive settlement process in which the Parties were forced to make significant
2 compromises in the interest of reaching a full and complete settlement of the lawsuit.

3 **SUMMARY OF SETTLEMENT**

4 25. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay
5 \$335,000.00 as the Gross Settlement Amount on a non-reversionary basis. (Exh. 1, §3.1.)
6 Defendant shall fully fund the Gross Settlement Amount, and also separately fund the amounts
7 necessary to fully pay Defendant's share of payroll taxes owed on the Wage Portions of the
8 Individual Class Payments. (Exh. 1 § 3.1.) None of the Gross Settlement Amount will revert to
9 Defendant. (Exh. 1 § 3.1.)

10 26. The Settlement Agreement defines the "Class" as "all persons employed by Defendant
11 in California and classified as non-exempt hourly employee who worked for Defendant during the
12 Class Period," which is "the period from March 12, 2020 to the earlier of either: (a) the date the
13 Court grants preliminary approval of the Settlement or (b) 90 days after acceptance of the
14 mediator's proposal, which is March 10, 2025." (Exh. 1 §§ 1.5 and 1.12.) However, it does not
15 include any person who submits a timely and valid request for exclusion. (Exh. 1, §7.5.4.)

16 27. The "Net Settlement Amount" shall be the Gross Settlement Amount, less the
17 Individual PAGA Payments, the LWDA PAGA Payment, Class representative Service Payment,
18 Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the
19 Administration Expenses Payment. (Exh. 1, §1.28.) These amounts are detailed as follows:

- 20 • Class Counsel Fees Payment of not more than one-third of the Gross Settlement
21 Amount, which is currently estimated to be \$111,666.67 and Class Counsel Litigation
22 Expenses Payment of not more than \$30,000.00; (Exh. 1, § 3.2.2.)
- 23 • Administration Expenses Payment of not more than \$5,495.00 to Apex Class Action
24 ("Apex") to serve as the Administrator. (Exh. 1, §3.2.3). After soliciting and
25 reviewing three bids from potential administrators (Phoenix Class Action
26 Administration Solutions with a not-to-exceed bid of \$7,000, and CPT Group with a
27 not to exceed bid of \$8,500.00), the Parties selected Apex to handle the notice and
28 administration of the Settlement based on the competitiveness of their bid, their

competency in administering settlements, and their responsiveness to the Parties' counsel; and

- Class Representative Service Payment of not more than \$5,000.00 to Plaintiff; and (Exh. 1, § 3.2.1.)
- PAGA Penalties in the amount of \$35,000.00 for civil penalties under PAGA, with 75% (\$26,250.00) paid to the LWDA for the LWDA PAGA Payment and 25% (\$8,750.00) paid to Aggrieved Employees for their Individual PAGA Payments. (Exh. 1, § 3.2.5.)

28. The "Individual Class Payment" is each Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period. (Exh. 1, §1.23.) The "Workweeks" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period. (Exh. 1, § 1.45.)

29. The "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period. (Exh. 1, §1.24.) The "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period. (Exh. 1, § 1.30.)

30. The estimated average amount that each Class Member will receive as their share of the settlement distribution is approximately \$966.26 (the estimated Net Settlement Amount of \$147,838.33 divided by the estimated total number of class members of 153). The estimated amount each Class Member will receive per workweek (the "Workweek Value") is approximately \$14.78 (the estimated Net Settlement Amount of \$147,838.33 divided by 10,000 Workweeks).

31. Defendant will pay their employer-side payroll tax obligations on the Wage Portion of the Individual Class Payments in addition to the Gross Settlement Amount. (Exh. 1, §3.1.) 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"), and are subject to tax withholding and will be reported on an IRS W-2 Form. (Exh. 1, § 3.2.4.1.) The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the

1 “Non-Wage Portion”). (*Id.*)

2 32. The Scope of the Release by Class Members

3 The Settlement Agreement provides that effective on the date when Defendant fully funds the
4 entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion
5 of the Individual Class Payments, “all Participating Class Members, on behalf of themselves and
6 their respective former and present representatives, agents, attorneys, heirs, administrators,
7 successors, and assigns, release Released Parties from (i) failure to pay all regular wages,
8 minimum wages and overtime wages due; (ii) failure pay vacation wages; (iii) failure to pay sick
9 time; (iv) failure to provide meal periods or compensation in lieu thereof; (v) failure to provide
10 rest periods or compensation in lieu thereof; (vi) failure to provide complete, accurate wage
11 statements; (vii) failure to maintain accurate records; (viii) failure to pay wages timely at time of
12 termination or resignation; (ix) failure to reimburse necessary business expenses; (x) unfair
13 business practices that could have been premised on the claims, causes of action or legal theories
14 of relief described above or any of the claims, causes of action or legal theories of relief pleaded
15 in the operative complaints; and (xi) all claims under the California Labor Code Private Attorneys
16 General Act of 2004 or for civil penalties that could have been premised on the claims, causes of
17 action or legal theories described above or any of the claims, causes of action or legal theories of
18 relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201,
19 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245, *et seq.*, 246, 510, 512, 558, 558.1, 1174,
20 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802
21 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class
22 Period.

23 33. The Scope of the Release by Aggrieved Employees

24 The Settlement Agreement provides that effective on the date when Defendant fully funds the
25 entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion
26 of the Individual Class Payments, “All Participating and Non-Participating Class Members who
27 are Aggrieved Employees are deemed to release, on behalf of themselves and their respective
28 former and present representatives, agents, attorneys, heirs, administrators, successors, and

1 assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably
2 could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the
3 PAGA Notices, and ascertained in the course of the Action.” (Exh. 1, § 5.3.)

4 34. The amount of the settlement was a compromise figure, considering the inherent risks
5 related to certification, liability and damages. However, considering all of the circumstances of
6 the action and the defenses raised by Defendant against certification, liability and damages, Class
7 Counsel believes that the settlement is fair and reasonable.

8 35. Class Members will receive the Class Notice via first class mail (after the Settlement
9 Administrator conducts a national change of address search). (Exh. 1, §7.4.2.) If the Class Notice
10 is returned as non-deliverable on or before the Response Deadline and a new address is obtained
11 by way of a returned Class Notice, then the Settlement Administrator will promptly forward the
12 original Class Notice to the updated address via first-class regular U.S. mail, indicating on the
13 original packet the date of such re-mailing. (Exh. 1, §7.4.3.)

14 36. Class Members will have an opportunity to dispute the Workweeks and PAGA Pay
15 Period information provided in their Class Notice within 60 days after the Administrator mails the
16 Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) and
17 produce evidence to support their contentions. (Exh. 1, §7.6.) The Settlement Administrator shall
18 decide the dispute and must encourage the Class Member disputing their credited workweeks to
19 produce supporting documentation in order to resolve the dispute. (Exh. 1, §7.6.)

20 37. Class Members wishing to opt out from the Settlement Agreement must send a signed
21 written request for exclusion to the Settlement Administrator within 60 days (plus an additional
22 14 days for Class Members whose Class Notice is re-mailed) from the initial mailing of the Class
23 Notice. (Exh. 1, §7.5.1.) Participating Class Members will also have the opportunity to object to
24 the Settlement Agreement by serving a copy of the objection to the Settlement Administrator
25 within 60 days (plus an additional 14 days for Class Members whose Class Notice is re-mailed)
26 after the mailing of the Class Notice. (Exh. 1, §7.7.2.)

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THE STRENGTH OF PLAINTIFF'S CASE
IN LIGHT OF THE SETTLEMENT AMOUNT

38. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

39. The strength of the plaintiffs' case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant failed to pay minimum wages and overtime, failed to pay sick pay and vacation wages, failed to provide proper meal breaks or provide premium pay at a proper rate in lieu thereof, failed to provide proper rest breaks or provide premium pay at a proper rate in lieu thereof, failed to provide accurate wage statements, failed to maintain accurate time and wage records, and failed to reimburse necessary business expenses. Plaintiff seeks related violations of California's Business & Professions Code, and penalties pursuant to Labor Code § 2699 *et seq.* Plaintiff conducted discovery and investigated each of the claims they alleged. Specifically, Defendant produced the following: (a) 20% sampling of time and pay records; (b) employee handbook; and (c) information on the class demographics including the estimated total number of Class Members and Aggrieved Employees, and estimated total number of Workweeks and PAGA Pay periods. The merits of each of these claims will be addressed separately below.

40. Based on the data provided, Class Counsel estimated the realistic exposure on the primary claims in this case as follows: unpaid minimum and overtime wage claims at **\$26,579.80**, meal period claim at **\$63,599.60**, rest period claim at **\$226,594.40**, wage statement claim at **\$25,940.00**, waiting time penalties at **\$124,821.20**, reimbursement claim at **\$11,560.00**, and on PAGA at **\$39,810.00**, for a total realistic maximum exposure of **\$518,905.00**.

41. Class Counsel believes that the settlement is fair and reasonable and serves the best interests of Class Members. Although the recommendations of counsel proposing the class

1 settlement are not conclusive, the Court can properly take the recommendations into account,
2 particularly if counsel has been involved in litigation for some period of time, appear to be
3 competent, and have experience with this type of litigation, and significant discovery has been
4 completed. *See Newberg*, §11.47.

5 **Minimum Wages and Overtime**

6 42. Plaintiff alleged that Defendant failed to pay Plaintiff and Class Members all wages
7 that were owed, including for all work performed (resulting in “off the clock” work) and for all
8 their overtime hours worked. Specifically, Plaintiff alleges that Defendant required Plaintiff and
9 Class Members to perform work related duties off the clock and to remain under Defendant’s
10 control during time when they should have been on break or otherwise off the clock. Plaintiff
11 alleges that Plaintiff and Class Members were required to perform work before their scheduled
12 shift start times and to perform other off the clock work, including booting up and logging into
13 the computers prior to clocking in, and were also required to work after clocking out for the day,
14 including immediately responding to work related calls and messages on their personal cell
15 phones. Moreover, Plaintiff alleges that Defendant required Plaintiff and Class Members to attend
16 monthly and quarterly meetings at that office while Plaintiff and Class Members were off the
17 clock. Finally, Plaintiff alleges that Defendant failed to pay Class Members all wages due and
18 owing because Defendant failed to incorporate non-discretionary bonuses and/or commissions
19 into the regular rate of pay Defendant used to calculate and pay for overtime, sick pay, vacation
20 pay, and meal and rest break premiums.

21 43. Defendant contended that they paid for all reported hours worked, that any off-the-
22 clock work performed was without Defendant’s knowledge and de minimis, and that they paid
23 proper minimum and overtime wages. Defendant argued that given their written policies and
24 practices, any unrecorded hours were likely subject to individualized inquiry and unlikely to be
25 certified. Given the difficulty in certifying this claim, Class Counsel had to apply a significant
26 discount to damages based on this theory.

27 44. Based on the above detailed facts, Class Counsel’s expert estimated Defendant’s
28 exposure on unpaid wages claims to be approximately \$129,716.00 (based on 5 minutes off the

1 clock work per shift and assuming 91.6% of off the clock hours attributable to overtime), and
2 unpaid overtime claims at regular rate to be approximately \$3,183.00. However, given
3 Defendant's defenses and the potential hurdles facing certification of this claim, Class Counsel
4 applied an 80% discount making for an adjusted exposure of \$26,579.80 for Defendant.

5 **Meal Periods and Rest Breaks**

6 45. Plaintiff alleged that Defendant consistently failed to provide timely and uninterrupted
7 meal breaks to Class Members. *See Brinker Restaurant Corp. v. Super. Ct.* (2012) 53 Cal.4th
8 1004, 1040 ("[T]he wage order's meal period requirement is satisfied if the employee (1) has at
9 least 30 minutes uninterrupted, (2) is free to leave the premises, and (3) is relieved of all duty for
10 the entire period.").

11 46. Plaintiff argued that Defendant regularly required Plaintiff and Class Members to work
12 shifts in excess of five hours without providing them with compliant meal periods. Plaintiff
13 alleged that Defendant failed to provide Plaintiff and Class Members with meal periods as
14 required by the Labor Code. Furthermore, Plaintiff alleged that Defendant failed to compensate
15 Plaintiff and Class Members for each meal period not provided.

16 47. Defendant disagreed with Plaintiff's interpretation of the law and facts. Defendant
17 contended that Plaintiff and Class Members were given a reasonable opportunity to take their
18 meal periods, and in fact received their meal periods most of the time. Defendant argued they
19 have a high meal period compliance rate and paid meal period premiums when meal periods were
20 not provided.

21 48. Class Counsel's expert calculated Defendant's maximum total exposure on the meal
22 break claim at approximately \$317,998.00. However, Class Counsel believes this estimate is high
23 given Defendant's defenses and potential hurdles facing certification of this claim and thus
24 provided an 80% discount making Defendant's adjusted exposure \$65,599.60.

25 49. The same argument applied to rest breaks. Plaintiff contended that Defendant did not
26 provide Plaintiff and Class Members with paid 10-minute rest breaks for every four hours or
27 major fraction thereof. Plaintiff alleged that Plaintiff and Class Members were often required to
28 work or to otherwise remain under Defendant's control during rest periods, including by

1 responding to work requirements. Furthermore Plaintiff alleged that Defendant did not
2 compensate Plaintiff and Class Members with an additional hour of pay at each Class Member's
3 regular rate for each day that Defendant failed to provide them with adequate rest breaks.

4 50. Defendant disagreed with Plaintiff's allegations, and maintained that it did provide the
5 reasonable opportunity for Plaintiff and Class Members to take duty-free rest breaks. Defendant
6 also pointed out that, unlike meal periods, rest breaks need not be recorded, so any rest break
7 violations would likely be difficult to prove at trial and difficult to certify. Defendant disputes all
8 allegations that breaks were not received. As these considerations would likely depress the
9 damages *vel non* ultimately awarded, Class Counsel applied significant and appropriate discounts
10 to the rest-break claim.

11 51. Based on Class Counsel's expert's analysis, Class Counsel estimated Defendant's
12 maximum total exposure on the rest break claim at approximately \$1,132,972.00. However, Class
13 Counsel believes this estimate is high given the difficulty of proving rest break violations at trial
14 and the potential hurdles facing certification of this claim difficult to achieve, and thus applied an
15 80% discount making Defendant's exposure more likely to be \$226,594.40.

16 **Paystub Violations**

17 52. Plaintiff also contended that Defendant failed to provide Class Members with accurate,
18 itemized wage statements in writing as required by California Labor Code § 226(a) because the
19 wage statements failed to accurately account for unpaid minimum wages and overtime due to
20 underreporting of hours and off the clock work. Moreover, Plaintiff contended the wage
21 statements failed to accurately account for premium pay for deficiently provided meal and rest
22 breaks which Defendant knew or reasonably should have known were owed to Plaintiff and Class
23 Members. As a direct and proximate cause of Defendant's violation of Labor Code § 226(a), the
24 Class Members suffered injuries, including among other things confusion over whether they
25 received all wages owed them. Pursuant to Labor Code §§ 226(a) and 226(e), employees are
26 entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period
27 in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay
28 period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also

1 entitled to an award of costs and reasonable attorneys' fees.

2 53. Defendant contends that Plaintiff's claim for further Labor Code § 226(e) penalties
3 would depend in large part on their underlying meal period and wage claims, and thus be subject
4 to the same defenses. Additionally, Defendant argues this claim has little or no value. *See*
5 *Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1336-1337 (2018) (wage statements
6 that accurately report wages paid to employees do not violate Labor Code § 226, even if it is later
7 determined that employer did not properly pay all wages due). Defendant further contends that
8 Labor Code § 226(e) penalties are not automatic. Rather, the employee must show (1) that he or
9 she "suffered injury" from the employer's failure to provide compliant wage statements, *see*
10 *Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d 1169, 1181 (applying California law)
11 (holding employee was not entitled to penalties because no injury was shown), and (2)
12 Defendant's noncompliance was "knowing and intentional." Finally, because the damages for this
13 cause of action are penalties, the statute of limitations only runs from one year prior to the filing
14 of the original complaint. *See* Cal. Civ. Pro. § 340.

15 54. Class Counsel's expert estimated Defendant's maximum total exposure on the section
16 226 claim at approximately \$129,750.00. Class Counsel believes it may be difficult to prevail on
17 this claim because Class Members would need to show that they suffered an injury and that
18 Defendant's noncompliance was knowing and intentional (on top of the challenges described
19 above with the underlying wage and break claims) which are both subject to individualized issues
20 making certification of this claim difficult to achieve. Thus, Class Counsel applied an 80%
21 discount making Defendant's adjusted exposure \$25,940.00.

22 **Failure to Pay Final Wages**

23 55. In failing to pay the California Class Members their minimum wages, overtime wages,
24 and premium pay for deficiently provided meal periods and rest breaks, all discussed above,
25 Defendant willfully failed to pay these the California Class Members all wages due and certain at
26 the time of termination or within seventy-two (72) hours of resignation, as required under Labor
27 Code § 203.

28 ///

1 56. Labor Code § 203 provides that if an employer willfully fails to pay an employee all
2 wages due at termination or within 72 hours of resignation, then that employee's wages shall
3 continue as a penalty until paid for a period of up to thirty (30) days from the date they were due.
4 Because Class Members stopped working for Defendant but again were not paid their full
5 compensation for the reasons discussed above, Class Members did not receive all wages due upon
6 termination of employment.

7 57. Defendant argued that, under Labor Code § 203, employers are only obligated to pay
8 waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of
9 termination or resignation. As Title 8, California Code of Regulations, § 13520 states:

10 A willful failure to pay wages within the meaning of Labor Code Section 203
11 occurs when an employer intentionally fails to pay wages to an employee when
12 those wages are due. However, a good faith dispute that any wages are due will
preclude imposition of waiting time penalties under Section 203.

13 A "good faith dispute" that any wages are due occurs when an employer presents
14 a defense, based in law or fact, which, if successful, would preclude any recovery
15 on the part of the employee. The fact that a defense is ultimately unsuccessful will
16 not preclude a finding that a good faith dispute did exist. Defenses presented
which, under all the circumstances, are unsupported by any evidence, are
unreasonable, or are presented in bad faith, will preclude a finding of a "good
faith dispute."

17 Defendant maintained that because they had viable defenses in both law and fact, especially in
18 light of the *Brinker* holding, that waiting-time penalties could not be awarded and, in any case,
19 such penalties were subject to a three-year limitations period under Labor Code § 203(b).

20 58. Class Counsel estimated Defendant's maximum total exposure on the section 203 claim
21 at approximately \$624,106.00. Class Counsel believed it would be difficult to recover waiting
22 time penalties given that Plaintiff would need to show willfulness on top of proving the
23 underlying wage and break claims which are also potentially subject to individualized issues
24 making certification of this claim difficult to achieve. Thus, Class Counsel applied an 80%
25 discount making Defendant's adjusted exposure \$124,821.20.

26 **PAGA Penalties**

27 59. The Labor Code Private Attorneys General Act, Labor Code § 2699 et seq., allows
28 Plaintiff to obtain civil penalties on behalf of themselves and other Class Members for

1 Defendant's violation of any provision of the Labor Code enumerated under Labor Code §
2 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable;
3 where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one
4 hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and
5 two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent
6 violation. Pursuant to Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered
7 must be allocated to the Labor and Workforce Development Agency (LWDA), with the
8 remaining twenty-five (25) percent allocated to the affected employees. The limitations period as
9 for all penalties is one year prior to the filing of the complaint.

10 60. The provisions of the Labor Code potentially triggering PAGA penalties in this case
11 include but are not limited to Labor Code §§ 203, 204, 226(a), 226.2, 226.7, 510, and 1194,
12 Defendant asserted that if PAGA penalties were mandatory, an employer's PAGA liability would
13 be huge because of the possibility of collecting multiple civil penalties for a single violation, and
14 thus such penalties would almost always dwarf the damages available under the causes of action
15 proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2)
16 states that "a court may award a lesser amount than the maximum civil penalty amount specified
17 by this part if, based on the facts and circumstances of the particular case, to do otherwise would
18 result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See, e.g., Lopez v.*
19 *Friant & Assocs., LLC*, 15 Cal. App. 5th 773, 788 (2017), *rev. denied* (2018), (recognizing
20 court's ability to reduce PAGA penalties). Courts have held that situations similar to the current
21 one (e.g. injuryless violations, technical errors, and substantial compliance) should lead to
22 reductions in penalties. *See Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th
23 1112, 1134-1135 (2012) (holding that reduction was justified when employer "attempted to
24 comply with the law"); *Fleming v. Covdien, Inc.*, No. ED CV10-01487 RGK (OPx), 2011 U.S.
25 Dist. LEXIS 154590 at *8-9 (C.D. Cal. August 12, 2011) (reducing PAGA penalties more than
26 80% – from \$2.8 million to \$500,000 – when "employees suffered no injury" employers were
27 "not aware" of the violation and "took prompt steps to correct all violations once notified").
28 Defendant here maintained that it had a strong argument that it would be unjust to award

1 maximum PAGA penalties.

2 61. Furthermore, PAGA penalties are also derivative of each and every other claim, and
3 Defendant therefore argued the PAGA claims would be subject to the same defenses to the
4 underlying claims. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, it can be
5 argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for
6 initial violations under the applicable statutes, because Defendant have never been notified of the
7 alleged violations. *Id.* at 1208-1209. Moreover, Section 2699(e)(1) authorizes the Court to
8 exercise the same discretion as the DLSE whether to award civil penalties. *Amaral* 163 Cal. App.
9 4th 1157, 1211-12. Therefore, if the Labor Commissioner - on whose behalf Plaintiff is
10 prosecuting this action for civil penalties - would not impose civil penalties in a case like this, the
11 Court may not award civil penalties. Moreover, in *Thurman v. Bayshore Transit Mgmt., Inc.*
12 (2012) 203 Cal.App.4th 1112, 1136, the Court of Appeal affirmed the trial court's reduction of
13 PAGA civil penalties by 30 percent, finding that awarding the full penalties would have been
14 "unjust" because "...a court may award a lesser amount than the maximum civil penalty amount
15 specified by this part if, based on the facts and circumstances of the particular case, to do
16 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."
17 Additionally, the amended PAGA statute (applicable here) applies mandatory discounts of up to
18 85% when a defendant establishes that it took "all reasonable steps" to comply with Labor Code
19 obligations. (Labor Code § 2699(g)). Defendant argued that due to its lawful and compliant
20 policies, trainings, and audits, it would be entitled to PAGA's mandatory discounts.

21 62. Plaintiff estimated Defendant's maximum total exposure on the PAGA claim at
22 approximately \$132,700.00 (\$100 x 1,327 pay periods (no stacking)). However, Class Counsel
23 notes that owing to the discretionary nature of PAGA penalties and the foregoing case law it is
24 unlikely the Court would award the full penalty and that it would be substantially reduced to
25 something more like \$39,810.00 if awarded a violation rate of \$30 per pay period. Class Counsel
26 applied discounts in light of the countervailing arguments with regard to the primary causes of
27 action, and moreover the Court's power to award "a lesser amount than the maximum civil
28 liability." The parties also considered that the purpose of PAGA is to "achieve maximum

1 compliance with state labor laws,” *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal. 4th
2 348, 379. This makes the Settlement’s proposed PAGA payment of **\$35,000.00** appropriate.

3 **Unreimbursed Business Expenses**

4 63. Plaintiff alleges that Plaintiff and Class Members incurred necessary expenditures in
5 the performance of their job duties for Defendant. Plaintiff alleges that Defendant required
6 Plaintiff and Class Members to use their personal mobile phone devices for work-related
7 activities, such as requiring Plaintiff and Class Members to download apps for work related
8 purposes and responding to work related calls and messages outside working hours. However,
9 Defendant failed to reimburse the work related expenses and losses to Plaintiff and Class
10 Members.

11 64. Class Counsel’s expert estimated Defendant’s maximum total exposure to
12 unreimbursed business expenses liability at approximately \$57,800.00 (assuming \$25 per month).
13 However, given the potential for the need for individualized inquires makes class certification of
14 this claim difficult. Accordingly, Class Counsel had applied a discount of 80% to get Defendant’s
15 adjusted exposure of \$11,560.00.

16 **Unfair Business Practices**

17 65. Plaintiff pleads this cause of action in order to augment her other causes of action and
18 aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations
19 on Plaintiff’s wage claims, which qualify as unfair business practices, to four years rather than the
20 three years provided by statute.

21 **Summary**

22 66. The foregoing discussion has sought to explain how the settlement amount is adequate
23 in light of the merits of Plaintiff’s case. It has done this by explaining the legal basis for each of
24 Plaintiff’s causes of action, summarizing the evidence that Class Counsel gathered in support of
25 those causes of action, and relating Defendant’s legal and factual arguments that worked to
26 derogate from the strength of Plaintiff’s case.

27 67. Class Counsel had to apply appropriate discounts in light of the facts and law as
28 discussed above. Thus, this settlement, like most others, was the product of compromise. The

1 Gross Settlement Amount of \$335,000.00 represents a recovery for the Class of approximately
2 64.5% of the total realistic exposure Plaintiff estimated that Defendant could face on the primary
3 claims in this case. Plaintiff and Class Counsel submit that this is an excellent result in the face of
4 uncertainty and the prospects of protracted and contested litigation through class certification,
5 summary judgment, and trial, and particularly in light of all of the factors described above.

6 **THE RISK, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION,**
7 **AS WELL AS THE RISK OF MAINTAINING CLASS ACTION**
8 **STATUS THROUGH TRIAL**

9 68. The next *Clark/Kullar* factors recognize that settlements take into consideration the
10 risks and expenses posed by further litigation and, in the class-action context, the risk of non-
11 certification. Consequently, it is proper that trial courts should keep these considerations in mind
12 when judging the adequacy of class action settlements.

13 69. Further litigation of this case posed real risks for a number of reasons. First, there were
14 the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in
15 the previous section. In that section, it was observed that almost every cause of action was subject
16 to some unique indeterminacy of its own, and that the derivative causes of action were thus
17 subject to a double indeterminacy, both their own and those of the causes of action on which they
18 were based.

19 70. The parties disputed the effect of these and other issues on class certification and
20 decertification. Class Counsel maintained that there were several legal and factual questions at
21 issue in the case that could best be decided on a class wide basis. Class Counsel contended that
22 the same policies and practices applied to all Class Members and therefore common questions
23 obtained and were likely to predominate over individual inquiries. Defendant disputed these
24 contentions and insisted that the *Brinker* decision called into question the certifiability of cases
25 such as this one. Defendant also argued that its policies were compliant with the law, while
26 Plaintiff disputed that the policies were lawful, and argued the lawfulness of such policies would
27 give rise to common questions amenable to certification. Thus, the parties had set positions on the
28 propriety of certifiability and liability that did not admit of an easy resolution.

1 71. Finally, it is always preferable to reach a resolution of a dispute because, in addition to
2 what has already been said, such resolutions save time and money that would otherwise go to
3 litigation. In light of the risk and expense of the lawsuit proceeding to trial there was a need to
4 resolve this matter soon than later. If this case settled after further litigation, the settlement
5 amount would have taken into account the additional costs incurred, and there might have been
6 less available for Class Members after all was said and done. This is not just an abstract
7 contention. The parties were moving into the phase of this litigation where they would have had
8 to depose a number of people such as managers, supervisors, and employees in order to establish
9 liability for trial. Discovery disputes would have been in the offing. The parties were also aware
10 that a class action trial would be a complicated and expensive proceeding, and then there was the
11 likelihood of a long, drawn-out appeals process. In contrast, the settlement provides real benefits
12 for Class Members in the immediate future. The benefits are not insignificant for anyone,
13 especially given the current economic climate. Consequently, the risk and expense of further
14 litigation outweighed any benefit that might have been gained otherwise.

15 **NOTICE TO AND REACTION OF CLASS MEMBERS**
16 **TO THE PROPOSED SETTLEMENT**

17 72. While premature to address this factor at the preliminary approval stage, some
18 observations are appropriate. First, the notification procedure set out in the Settlement Agreement
19 provides the greatest likelihood that each and every Class Member will receive the Notice of
20 Settlement (“Class Notice”), attached to the Settlement Agreement as **Exhibit A**. The language of
21 the Class notice has been agreed to by Class Counsel and Defendant’s Counsel, who confirmed
22 on their part that providing Class Notice in English would be sufficient. Under the Settlement
23 Agreement, not later than 15 days after the Court grants Preliminary Approval of the Settlement,
24 Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a
25 Microsoft Excel spreadsheet. (Exh. 1, § 4.2). Furthermore, the Settlement Administrator will send
26 the Class Notice to each Class Member via First Class U.S. mail. (Exh. 1, §7.4.2). Before mailing,
27 the Settlement Administrator will perform a skip trace search based on the National Change of
28 Address Database for information to update and correct for any known or identifiable address

1 changes. (Exh. 1, §7.4.2) If the Class Notice is returned as non-deliverable on or before the
2 Response Deadline and a new address is obtained by way of a returned Class Notice, then the
3 Settlement Administrator will forward the original Class Notice to the updated address via first-
4 class regular U.S. mail, no later than three (3) business days after the Administrator's receipt of
5 any Class Notice returned as undelivered. (Exh. 1, §7.4.3) Thus, most, if not all, Class Members
6 will likely receive the Class Notice.

7 73. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the
8 claims involved, the terms of the settlement, and their options thereunder. They provide for a
9 specific procedure to seek exclusion from the Class, and for lodging objections to the settlement.
10 The efforts taken to ensure that Class Members receive the Class Notice and are well informed
11 about the settlement augur a favorable response rate.

12 74. If a Class Member disputes the number of workweeks stated for that Class Member in
13 the Class Notice, the Class Member must ask the Settlement Administrator to resolve the matter
14 by submitting in writing under penalty of perjury the workweeks that the Class Member claims to
15 have actually worked for Defendant during the Class Period. (Exh. 1, §7.6). After consultation
16 with Class Counsel and Defendant's Counsel, the Class Action Administrator will make a
17 determination of the Class Member's total workweeks during the applicable period. (*Id.*)

18 **CONCLUSION OF THE CLARK/KULLAR ANALYSIS**

19 75. The foregoing discussion establishes the fairness of the class-action settlement in the
20 instant case. It has done this by analyzing the settlement in light of the appellate decisions in
21 *Clark* and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and
22 adequate. Class Counsel conducted a thorough investigation of the subject wage-and-hour
23 practices and engaged in non-collusive, arm's-length negotiations in order to reach a settlement.
24 Defendant has agreed to pay fair value to settle Plaintiff's claims given the existence of legal
25 uncertainty. From Class Counsel's substantial experience with wage-and-hour class action
26 lawsuits Class Counsel believes that this case could not have settled on better terms under the
27 circumstances. Request therefore is made that the settlement be granted preliminary approval so
28 that those persons whom it was intended to benefit shall be afforded the opportunity to determine

1 its adequacy.

2 **REQUEST FOR ATTORNEYS' FEES**

3 76. Under the Settlement, Class Counsel also requests, without opposition from Defendant,
4 an award of Class Counsel Fees Payment and Costs consisting of: (1) not more than \$111,666.67
5 in attorneys' fees and (2) reasonable litigation costs and expenses incurred in to prosecute the
6 Action not more than \$30,000.00. (Exh. 1, §3.2.2). This request is fair, reasonable, and adequate
7 to compensate Class Counsel for the substantial work they have put into this case and, moreover,
8 the risk they assumed by taking it in the first place. The attorneys' fees award is intended to
9 reimburse Class Counsel for all uncompensated work that they have already done and for all the
10 work they will continue to do in carrying out and overseeing the notification to Class Members,
11 communicating with Class Members regarding their claims, and assisting in the administration of
12 the settlement if it is preliminarily approved. Defendant will not oppose Class Counsel's above
13 fees and cost request.

14 77. D.Law, Inc. took this case on a contingent-fee basis against a business represented by a
15 reputable defense firm. When we take contingent cases, we must pay careful attention to the
16 economics involved or one bad case can destroy years of work. Accordingly, when we take
17 contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
18 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
19 number of hours in a day is limited. Because of this, when we take on one particular matter, we
20 are unable to take on other matters. In sum, this case claimed a significant portion of Class
21 Counsel's time and attention throughout its pendency.

22 78. The requested fee is reasonable for the services provided to Class Members and for the
23 benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory, *see*
24 *Bihun v. AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees would
25 still be justified. Here, the lodestar may exceed the requested fees. Class Counsel will more fully
26 brief the Court on its lodestar in the motion for final approval.

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1 **ENHANCEMENT TO PLAINTIFF AS THE CLASS REPRESENTATIVES**

2 79. Plaintiff herein is entitled to reasonable service payment for her efforts and initiative in
3 bringing and helping to prosecute this action. Plaintiff spent a considerable amount of time better
4 apprising herself of her rights, deciding whether remedial action should be taken, how it should
5 be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours
6 with Plaintiff discussing the case and the law. In the end, Plaintiff decided to vindicate not only
7 her own rights but also those of co-workers by filing a class action lawsuit.

8 80. The courage it took to stand up to Defendant by filing and litigating this action in this
9 way should not be underestimated. By suing Defendant, Plaintiff increased the risk of retaliation
10 by prospective employers.

11 81. But Plaintiff did not allow her fear of the potential repercussions of being a class
12 representative deter them from acting for the benefit of Class Members. To the contrary, Plaintiff
13 has been intimately involved in this case since its inception. She has devoted a substantial amount
14 of time to helping Class Counsel effectively develop and prosecute this action at every stage of
15 the litigation. Both before and after the filing of this lawsuit, Plaintiff conferred with Class
16 Counsel on numerous occasions to discuss every aspect of her case. Plaintiff provided Class
17 Counsel with information about Defendant and about the industry generally, reviewed documents,
18 consulted Class Counsel throughout the litigation repeatedly and at length, participated in the
19 mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and
20 signed the Settlement Agreement.

21 82. Plaintiff has spent a significant amount of time with Class Counsel detailing her
22 knowledge of Defendant's practices and helping Class Counsel with the prosecution of this
23 action. She has diligently, adequately, and fairly represented Class Members, and has not placed
24 her interest above any member of the putative class. The payment to Plaintiff is intended to
25 recognize her time and effort on behalf of the Class. The amount requested is fair and appropriate
26 based on her contribution and involvement. For example, Plaintiff instigated the lawsuit by
27 bringing these violations to the attention of Class Counsel. She spent several hours answering
28 questions and providing information to Class Counsel throughout the pendency of this action. She

1 identified witnesses, explained to Class Counsel day to day business practices of Defendant with
2 regard to work schedules and meal breaks, etc. The parties are in agreement that Plaintiff is
3 entitled to an enhancement for her time and efforts in this matter. This sort of payment to a class
4 representative has been a common feature of settlements negotiated by Class Counsel and has
5 been routinely approved by trial courts.

6 83. In light of the foregoing, Class Counsel believes that the Class Representative Service
7 payment in the amount of \$5,000.00 is fair and reasonable.

8 **CRITERIA SATISFIED FOR CERTIFICATION OF SETTLEMENT CLASS**

9 84. The proposed Class satisfies the criteria for certification of a settlement class under
10 California law, as embodied in California Code of Civil Procedure § 382. Defendant has agreed to
11 the certification of the class for settlement purposes. In general, courts may take a proposed
12 settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor*
13 *Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies in
14 certifying classes for settlement purposes. *Ibid.* Therefore the Court should take into
15 consideration the fact that the parties have settled their claims and stipulated to certification for
16 settlement purposes when assessing typicality and adequacy.

17 a. Numerosity. The putative class is so numerous that joinder of all members is
18 impractical. Class Members are “all persons employed by Defendant in California and classified
19 as non-exempt hourly employee who worked for Defendant during the Class Period,” which is the
20 period from March 12, 2020, to the earlier of either (a) the date the Court grants preliminary
21 approval of the Settlement or (b) 90 days after acceptance of the mediator’s proposal, which is
22 March 10, 2025. There are approximately 153 persons answering to this definition. Thus, there
23 are a sufficient number of Class Members to warrant certifying this as a class action for
24 settlement purposes.

25 b. Ascertainability. The putative class is defined in a manner that is precise,
26 objective, and ascertainable. The Class Members have already been identified by reference to
27 Defendant’s payroll and personnel records.

28 ///

1 c. Typicality. A class representative's claims are typical when they arise from the
2 same event, practice, or course of conduct that gives rise to the claims of other putative class
3 members, and if their claims rest on the same legal theories. The class representative's claims
4 must be "typical" but not necessarily identical to the claims of other class members. It is
5 sufficient that the representative is similarly situated so that he or she will have the motive to
6 litigate on behalf of all Class Members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I.*
7 *Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been
8 the law in California that the class representative must have identical interests with the class
9 members."). Thus, it is not necessary that the class representative should have personally incurred
10 all of the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.*
11 (2001) 91 Cal.App.4th 224, 228.

12 Plaintiff's claims are typical of Class Members' claims because they arose from the same
13 factual basis and are based on the same legal theories. Plaintiff was employed by Defendant
14 during the Class Period and subject to the allegedly unlawful meal and rest break policies and pay
15 practices at issue in this litigation. The central issues of this litigation (whether Defendant failed
16 to pay all wages, whether Defendant failed to provide meal and rest periods etc.), which would
17 arise if this were an individual action brought by Plaintiff, apply to the other Class Members as
18 well. Thus, Plaintiff's claims are typical of the claims of the putative class.

19 d. Adequacy. A class representative must possess the same interest and suffer the
20 same injury as the class members. "To assure 'adequate' representation, the class representative's
21 personal claim must not be inconsistent with the claims of other members of the class." *J.P.*
22 *Morgan & Co., Inc. v. Sup.Ct. (Heliotrope General, Inc.)* (2003) 113 Cal.App.4th 195, 212. Thus,
23 the adequacy requirement is satisfied when the class representative's interests are not antagonistic
24 to those of the class. *McGhee v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

25 Plaintiff does not have any conflicts with the class and in fact her interests are aligned
26 with those of the class. Because Plaintiff's claims are identical to those that would be asserted by
27 the unnamed Class Members were they before the Court, Plaintiff has every interest in zealously
28 representing the unnamed class members. Plaintiff has not shrunk from this responsibility.

1 Indeed, Plaintiff has devoted a substantial amount of time and energy to litigating this action and
2 effecting a settlement. Furthermore, as detailed above, Class Counsel are experienced in wage-
3 and-hour litigation, especially class actions, and have zealously represented the interests of the
4 class in litigating this case. *See infra* ¶¶3-8. Accordingly, the adequacy requirement is satisfied.

5 e. Commonality. Common questions of law or fact in this case predominate over
6 individual questions. This action involves, *inter alia*, a determination about Defendant's alleged
7 failure to provide meal and rest periods, failure to pay paid sick and vacation, failure to pay
8 minimum and overtime wages due to allegedly common and unlawful policies, failure to pay final
9 wages when required, failure to provide accurate written wage statements, failure to maintain
10 accurate time and wage records, failure to indemnify for business expenses, and largely
11 derivative claims under the Business & Professions Code and PAGA. Plaintiff contends these
12 practices affected Class Members in the same way. Therefore, the Operative Complaint delineates
13 a common course of conduct applicable to all Class Members.

14 f. Predominance. Individualized issues do not predominate over the issues of law and
15 fact that are common to the class as a whole. The principal issues of controversy are whether
16 Class Members were paid for all hours worked and provided lawful meal breaks. As explained,
17 *supra*, there are common issues of law and fact given that Plaintiff and all Class Members were
18 subjected to the same policies and pay practices during the relevant time period. Plaintiff and
19 Class Members seek meal and rest break premiums, unpaid wages and overtime, and penalties for
20 work performed as non-exempt employees for Defendant. These issues are suitable for common
21 adjudication because all Class Members were subject to the same employment policies and
22 Plaintiff contends the practices applied uniformly to all Class Members.

23 g. Superiority. Class resolution is superior to other available methods for the fair and
24 efficient adjudication of the controversy. There is little interest or incentive for Class Members to
25 individually control the prosecution of separate actions. Although the injury resulting from
26 Defendant's policies and practices are real and significant, the cost of individually litigating each
27 such case against Defendant would easily exceed the value of any relief that could be obtained by
28 any one Class Member individually. If Class Members are forced to litigate their claims

1 individually this would result in about 153 individual actions against Defendant. Here, the
2 alternative methods of resolution are individual suits for relatively small amounts. Hence, an
3 individual suit would prove uneconomical for a potential plaintiff because litigation costs would
4 dwarf a potential recovery.

5 h. Except for Plaintiff's case before this Court, Plaintiff is unaware of any other
6 actions by Class Members against Defendant asserting similar claims as here. Furthermore,
7 Sacramento County is a compelling forum for this action given that Defendant maintains an
8 office location in Sacramento County.

9 i. There are no serious manageability difficulties presented by preliminarily
10 approving the case for settlement purposes. As this case will not go to trial if finally approved, all
11 that would remain is settlement administration and responding to possible objectors.

12 85. On October 2, 2025, Plaintiff submitted the Class Action and PAGA Settlement
13 Agreement and Plaintiff's Motion for Preliminary Approval of Class Action and PAGA
14 Settlement and supporting documents to the LWDA. A true and correct copy of the confirmatory
15 email from the LWDA is attached hereto as **Exhibit 3.**

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

18 Executed this 2nd day of October 2025, at Glendale, California.

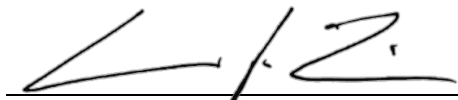
19 
20 _____
Enoch J. Kim

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Amanda Talbot (“Plaintiff”) and defendant SkySlope, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Amanda Talbot v. SkySlope, Inc.* initiated on March 11, 2024 and pending in Superior Court of the State of California, County of Sacramento.
- 1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt hourly employee who worked for Defendant during the PAGA Period.
- 1.5 “Class” means all persons employed by Defendant in California and classified as non-exempt hourly employee who worked for Defendant during the Class Period.
- 1.6 “Class Counsel” means D.Law, Inc.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “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 Class Period Workweeks and PAGA Pay Periods.
- 1.9 “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).
- 1.10 “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.

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from March 12, 2020 to the earlier of either: (a) the date the Court grants preliminary approval of the Settlement or (b) 90 days after acceptance of the mediator’s proposal, which is March 10, 2025.
- 1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Sacramento.
- 1.16 “Defendant” means named Defendant SkySlope, Inc.
- 1.17 “Defense Counsel” means Cook Brown, LLP.
- 1.18 “Effective Date” means the date by when 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: the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means \$335,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “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.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from March 12, 2023 to the earlier of either: (a) the date the Court grants preliminary approval of the Settlement or (b) 120 days after acceptance of the mediator’s proposal, which is April 9, 2025.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.33 “PAGA Notice” means Plaintiff’s March 11, 2024 letter to Defendant and the providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$8,750) and the 75% to LWDA (\$26,250) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

- 1.36 “Plaintiff” means Amanda Talbot, the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.42 “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.
- 1.43 "Response Deadline" means 60 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 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “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 11, 2024, Plaintiff commenced a Class Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime under Labor Code § 510; (3) Failure to Pay Vacation Wages; (4) Failure to Comply with Labor Code §§ 245 *et seq.* and 246; (5) Meal Period Liability Under Labor Code § 226.7; (6) Rest Break Liability Under Labor Code § 226.7; (7) Violation of Labor Code § 226; (8) Failure to Maintain Records Under Labor Code §§ 1174 and 1174.5; (9) Violation of Labor Code § 203; (10) Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802; and (11) Violation of Business & Professions Code § 17200 *et seq.* On May 15, 2024, Plaintiff filed a First Amended Complaint adding a twelfth cause of action for penalties under PAGA. Defendant denies

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

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On December 6, 2024, the Parties participated in an all-day mediation presided over by Brandon McKelvey, Esq. which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a 20% sampling of time and payroll data for the putative class, and figures and information regarding the class size and composition. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

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

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$335,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$5,000 (in addition to any Individual Class Payment and any Individual PAGA Payment] the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses

Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third, which is currently estimated to be \$111,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$30,000. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$5,495 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,495, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

- 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion").vi The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class

Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$35,000 to be paid from the Gross Settlement Amount, with 75% (\$26,250) allocated to the LWDA PAGA Payment and 25% (\$8,750) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$8,750 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 153 Class Members who collectively worked a total of 10,000 workweeks from March 12, 2023 to December 6, 2024, and 57 Aggrieved Employees who worked a total of 1,252 PAGA Pay Periods from March 12, 2023 to December 6, 2024.

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

faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. 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 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 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 cancelled 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 entire Gross Settlement Amount and funds 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 and his or her respective former and present spouses, representatives, agents, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the Class Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, [or ascertained during the Action and released under 5.3, below]. ("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 **Release by Participating Class Members Who Are Not Aggrieved Employees:** All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure pay vacation wages; (iii) failure to pay sick time; (iv)

failure to provide meal periods or compensation in lieu thereof; (v) failure to provide rest periods or compensation in lieu thereof; (vi) failure to provide complete, accurate wage statements; (vii) failure to maintain accurate records; (viii) failure to pay wages timely at time of termination or resignation; (ix) failure to reimburse necessary business expenses; (x) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints; and (xi) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245, *et seq.*, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class Period. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class and PAGA Periods.

5.3 Release by Participating and Non-Participating Class Members Who Are Aggrieved Employees: All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notices, and ascertained in the course of the Action.

6. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.2 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will

expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. **SETTLEMENT ADMINISTRATION.**

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

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

7.3 **Qualified Settlement Fund.** The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 **Notice to Class Members.**

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate

or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and

6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) 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 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination 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 Class Representative Service Payment.

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 60 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 and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total

number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.
8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 153 Class Members and 10,000 total workweeks from March 12, 2020 to December 6, 2024 and (2) there were 57 Aggrieved Employees who worked 1,252 Pay Periods from March 12, 2023 to December 6, 2024. If the number of Total Workweeks encompassed within the Class period exceeds 10,000 by more than 10%, then the GSA shall be increased in proportion to the percentage increase in the number of Total Workweeks encompassed in the Class period in excess of 10%. Alternatively, Defendant can maintain the current GSA by cutting off the Class period on the date that total workweeks reaches 11,000.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days 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.

- 10.1 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 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 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 Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, 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.
- 10.4 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 reflected 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 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this 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).

12.2 **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 each 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, any with 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.

12.3 **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 Class Counsel's ethical obligations owed to Class Members.

- 12.4 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.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

D.Law, Inc.
Emil Davtyan
Emil@d.law
David Yeremian
d.yeremian@d.law
Roman Shkodnik
r.shkodnik@d.law
Emma Geesaman
e.geesaman@d.law
450 N. Brand Blvd., Suite 840

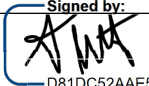
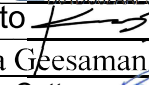
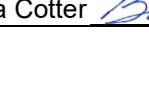
Glendale, CA 91203
Telephone: (818) 962-6465
Fax: (818) 962-6469

To Defendant:

Cook Brown, LLP
Barbara A. Cotter
bcotter@cookbrown.com
Sarah M. Woolston
swoolston@cookbrown.com
2407 J Street, Second Floor
Sacramento, California 95816
Telephone: (916) 442-3100
Fax: (916) 442-4227

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or 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.

12.19 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 that 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.

		Signed by:	
For Plaintiff	Amanda Talbot		3/6/2025
For Defendant	Koichi Fujimoto		3/26/2025
Counsel For Plaintiff	Emma Geesaman		3/7/2025
Counsel For Defendant	Barbara Cotter		

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

Amanda Talbot v. SkySlope, Inc.

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against SkySlope, Inc. (abbreviate name; “SkySlope” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former SkySlope employee Amanda Talbot (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who worked for SkySlope during the Class Period (March 12, 2020 to the earlier of: the date court grants preliminary approval or 90 days after mediator’s proposal was accepted, which is March 10, 2025); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for SkySlope during the PAGA Period (March 12, 2023 to the earlier of: the date court grants preliminary approval or 120 days after mediator’s proposal was accepted, which is April 9, 2025) (“Aggrieved Employees”).

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

Based on SkySlope’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 SkySlope’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 SkySlope’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. 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. 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 SkySlope to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against SkySlope.

If you worked for SkySlope during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against SkySlope.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against SkySlope, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

SkySlope will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against SkySlope that are covered by this Settlement (Released Claims).
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You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. SkySlope must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to SkySlope's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former SkySlope employee. The Action accuses SkySlope of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, vacation wages, sick pay, and reimbursable expenses, failing to maintain accurate records, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private

Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys in the Action: D.Law, Inc. (“Class Counsel.”)

SkySlope strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether SkySlope or Plaintiff is correct on the merits.

In the meantime, Plaintiff and SkySlope hired an experienced mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and SkySlope have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, SkySlope does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) SkySlope has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. SkySlope Will Pay \$335,000 as the Gross Settlement Amount (Gross Settlement). SkySlope has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, SkySlope will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- a. Up to \$111,666.67 (one-third of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- b. Up to \$5,000 to the Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- c. Up to \$5,495 to the Administrator for services administering the Settlement.
- d. Up to \$35,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and SkySlope are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. SkySlope will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and SkySlope have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against West Coast Prime Meats.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against SkySlope based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and SkySlope have agreed that, in either case, the Settlement will be void: SkySlope will not pay any money and Class Members will not release any claims against SkySlope.
8. Administrator. The Court has appointed a neutral company, Apex Class Action (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice. 9.
9. Participating Class Members' Release. After the Judgment is final and SkySlope has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against SkySlope or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims alleged in the operative complaint and all claims based upon the facts alleged in the operative complaint, including, but not limited to, (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure pay vacation wages; (iii) failure to pay sick time; (iv) failure to provide meal periods or compensation in lieu thereof; (v) failure to provide rest periods or compensation in lieu thereof; (vi) failure to provide complete, accurate wage statements; (vii) failure to maintain accurate records; (viii) failure to pay wages timely at time of termination or resignation; (ix) failure to reimburse necessary business expenses; (x) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints; and (xi) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245, *et seq.*, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class Period. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and SkySlope has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against SkySlope, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against SkySlope or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA

Period facts stated in the Operative Complaint, the PAGA Notices, and ascertained in the course of the Action.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$8,750 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in SkySlope's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept SkySlope's calculation of Workweeks and/or Pay Periods based on SkySlope's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and SkySlope's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Amanda Talbot v. SkySlope, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and SkySlope are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Amanda Talbot v. SkySlope, Inc.* and include your name, current address, telephone number, and approximate dates of employment for SkySlope and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 22 of the Gordon D. Schaber Sacramento County Courthouse, located at 720 9th Street, Sacramento, CA 95814. 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 via Zoom (<https://www.saccourt.ca.gov/civil/docs/civil-court-zoom-links.pdf>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything SkySlope and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 24CV004674. You can also make an appointment to personally review court documents in the Clerk's Office by calling (916) 874-5522.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

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D.Law, Inc.

450 N. Brand Blvd., Suite 840

Glendale, CA 91203

(818) 962-6465

Settlement Administrator:

Name of Company: Apex Class Action

Email Address:

Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT A

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

Superior Court of California, County of Sacramento
Amanda Talbot v. Skyslope, Inc.
Case No.: 24CV004674

The Superior Court for the State of California authorized this Notice. Read it carefully! It is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Skyslope, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by former Defendant’s employee Amanda Talbot (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly paid, non-exempt employees (“Class Members”) who worked for Defendant in California during the Class Period (March 12, 2023 to March 10, 2025); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly-paid, non-exempt employees who worked for Defendant in California during the PAGA Period (March 12, 2023 to April 9, 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 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 did not work for Defendant in California 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 workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether or not you act. Read this Notice carefully. You will be deemed to have carefully 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.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendant that are covered by this Settlement (defined below).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue the Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods. Written Challenges Must be	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks and PAGA Pay Periods you worked for Defendant in California during the Class Period and PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either

Submitted by _____	of these numbers, you must challenge it by _____. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay wages due and owing (including off-the-clock work, and overtime), failing to provide meal and rest breaks, failing to pay vacation wages and sick pay, failing to furnish accurate wage statements, failing to maintain accurate time and wage records, failing to timely pay wages including final wages, and failing to reimburse necessary business expenses, and largely derivative claims under the Unfair Competition Law (“UCL”) and under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys in the Action: D.Law, Inc. (“Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits.

In the meantime, Plaintiff and Defendant hired an experienced mediator in an effort to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. The Court preliminarily approved the proposed Settlement, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$335,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final as of the latest of the following occurrence: the day after the deadline for filing a notice of

appeal from the Judgement; or if timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgement and issues a remittitur.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$111,666.67 (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and actual and reasonable litigation costs and expenses incurred in to prosecute the Action for nor more than \$30,000.00. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$5,000.00 to the Plaintiff as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$5,495.00 to the Administrator for services administering the Settlement.
 - d. Up to \$35,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties under the Settlement rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement. 5.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number or email address, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue the Released Class Claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert the Released PAGA Claims against Defendant.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, Apex Class Action (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and remail settlement checks and tax forms, and

perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice. 9.

9. Participating Class Members' Release. After the Judgment is final and Defendant have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement.

Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to pay vacation wages; (iii) failure to pay sick time; (iv) failure to provide meal periods or compensation in lieu thereof; (v) failure to provide rest periods or compensation in lieu thereof; (vi) failure to provide complete, accurate wage statements; (vii) failure to maintain accurate records; (viii) failure to pay wages timely at time of termination or resignation; (ix) failure to reimburse necessary business expenses; (x) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints; and (xi) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245, *et seq.*, 246, 510, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class Period. Except as set forth in the Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class and PAGA Periods.

10. Aggrieved Employees' PAGA Release. After the Judgment is final and Defendant have fully funded the Gross Settlement and separately paid all employer payroll taxes), all Aggrieved Employees will be barred from asserting the Released PAGA Claims against Defendant, whether or not they exclude themselves from the Class Settlement.

Aggrieved Employees will be bound by the following release:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notices, and ascertained in the course of the Action.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$8,750 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number or email address, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to identify the Action as *Amanda Talbot v. Skyslope, Inc.* **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website <https://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=Home>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff is too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Amanda Talbot v. Skyslope, Inc.* and include your name, current address, telephone number or email address, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____ at _____ in Department 22 of the Courthouse of the Sacramento County Superior Court located at Gordon D. Schaber Sacramento County Courthouse at 720 Ninth Street, Sacramento, CA 95814. 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 (_____). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=Home>). The Case Number for the Action, Case No. 24CV004674 .

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

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D.Law, Inc.

450 N. Brand Blvd., Suite 840

Glendale, CA 91203

Telephone: (818) 962-6465

Fax Number: (818) 962-6469

Settlement Administrator:

Name of Company: Apex Class Action

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

March 11, 2024

VIA ON-LINE SUBMISSION AND MAIL:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

SKYSLOPE, INC.

c/o CT Corporation System
Agent for Service of Process
330 N. Brand Blvd, Suite 700
Glendale, CA 92103
Certified Mail Tracking Number: 9414 8112 0620 4939 1367 48

SKYSLOPE, INC.

825 K Street, 2nd Floor
Sacramento, CA 95814
Certified Mail Tracking Number: 9414 8112 0620 4939 1142 89

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
*Amanda Talbot v. Skyslope, Inc.***

Gentlepersons:

This office represents Plaintiff Amanda Talbot (“Plaintiff”) and other similarly situated aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.* and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Unless specified below, Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of herself and all other similarly situated, Aggrieved Employees, and the State of California, against Defendants, SKYSLOPE, INC., and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along Plaintiff’s Class Action Complaint, which is attached hereto and incorporated by reference herein. The Complaint is being concurrently filed in Sacramento County Superior Court and will be



assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt hourly employee in California. Defendant Skyslope, Inc. is a software company with its principal place of business in Sacramento, California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present (Plaintiff and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees").

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked.

Aggrieved Employees were consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Defendants required Plaintiff and Aggrieved Employees to perform work related duties off the clock and to remain under Defendants' control during times when they should have been on break or otherwise off the clock, including before and after their work shifts. Aggrieved Employees were required to perform work before their scheduled shift start times and to perform other off the clock work, including booting up and logging into the computers prior to clocking in. Upon information and belief, Defendants failed to compensate Aggrieved Employees for the time they were under control of Defendants before their scheduled shift start time.

Aggrieved Employees were also required to work past their scheduled shift end time and perform work after clocking out for the day and/or during unpaid meal breaks, including immediately responding to work related calls and messages on their personal cell phones. Defendants also required Aggrieved Employees to attend monthly and quarterly meetings at that office while Aggrieved Employees were off the clock. Upon information and belief, Defendants failed to compensate Aggrieved Employees for the time they were under control of Defendants after clocking out.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or commissions paid to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime, sick pay, and meal and rest break premiums.

Further, Defendants did not utilize a time keeping device that allowed Aggrieved Employees to accurately punch in and punch out for their shifts and meal breaks. Instead, Aggrieved Employees



were required to manually log their scheduled shift times on an electronic timesheet as hours worked regardless of actual time worked. Similarly, Aggrieved Employees were required to manually log on an electronic timesheet a 30-minute lunch break, rather than punch in and out for meal periods. Defendants maintained this policy and practice with the ostensible intent of underpaying Aggrieved Employees for the hours they were actually under Defendants' control. As a result, Aggrieved Employees' timesheets did not accurately reflect all the time they were under the direction and control of Defendants, for which they were not compensated.

Additionally, Plaintiff, and upon information and belief the other Aggrieved Employees, were required to work long hours, usually 10-12 hours per work shift. Aggrieved Employees were scheduled to work at least 4 days a week, and 10 hours per day under an alternative workweek schedule. Defendants failed to pay Aggrieved Employees at the required overtime rate for all hours over eight in a shift, or over forty in a week, which also impacted when Aggrieved Employees should have been paid at the double time rate and resulted in underpayment of double time for those hours over twelve worked in a shift. Plaintiff contends there was not an enforceable alternative work week election conducted for his facility, or if it was, it was improperly conducted and/or reported to the DIR's Alternative Workweek Elections Database. To the extent Plaintiff's facility and any other facilities in California were operating under a similarly invalid or ineffectual alternative workweek election, Plaintiff and those similarly Aggrieved Employees were not paid at least two hours of overtime premium wages on every work shift for the hours between their eighth and tenth worked.

This uncompensated time caused Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take lawful meal periods in compliance with California Law. Specifically, due to understaffing and heavy workloads, Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Additionally, the uncompensated pre-shift duties, discussed herein, further delayed Aggrieved Employees' meal periods to commence after to the completion of the fifth and tenth hours of work.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy and practice of not scheduling each meal period as part of each work shift; and (2) Defendants' policy and practice of requiring Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

Moreover, as discussed above, Defendants had a consistent policy and practice of requiring Aggrieved Employees to manually log their scheduled shift times as hours worked rather than actual time worked, including meal periods. Specifically, Aggrieved Employees were required to manually log a 30-minute lunch break regardless of whether they took a full, uninterrupted 30-minute lunch break. These inaccurate time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the



opportunity to take rest breaks in compliance with the California Law. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; and (2) Defendants' policy and practice of requiring Aggrieved Employees to continue working through their rest breaks due to the excessive workload.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. For example, Defendants included non-working hours as total hours worked and listed incorrect rates of pay. Thus, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, discussed above.

Moreover, Defendants failed to pay Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

Lastly, Defendants regularly required Aggrieved Employees to incur necessary business expenses in the course of performing their required job duties without reimbursement. For example, Defendants required Aggrieved Employees to use their personal mobile phone devices for work-related activities, such as requiring Plaintiff and Class members to download apps for work related purposes and responding to work related calls and messages outside working hours. Plaintiff worked from home and was not reimbursed for any of the operating costs from working from home, such as internet and utilities. Plaintiff also had to purchase various computer equipment and office supplies necessary to perform her job duties from home, such as a chair, desk, headphones, riser for laptop, wifi booster, and desk lamp. Indeed, Defendants had a written policy that stated Employees are personally responsible for ongoing operating costs when working from home. Upon information and belief, Aggrieved Employees were all subject to the same requirements. However, Aggrieved Employees were not reimbursed for this necessary expense as required under Labor Code § 2802

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the Class Action Complaint, the Aggrieved Employees complain of the following violations committed by Defendants:¹

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¹ Plaintiff hereby reserves the right to seek penalties on behalf of all Aggrieved Employees, for Defendants' violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745.



Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines “Hours Worked” as “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.” Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees and costs of suit.”

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants’ unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

As described more fully above, Aggrieved Employees were consistently required to perform work, off-the-clock, for which they were not paid wages. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay. Further, Defendants did not utilize a time keeping device that allowed Aggrieved Employees to accurately punch in and punch out for their shifts and meal breaks. Instead, Aggrieved Employees were required to manually log their scheduled shift times on an electronic timesheet as hours worked regardless of actual time worked. Similarly, Aggrieved Employees were required to manually log on an electronic timesheet a 30-



minute lunch break regardless of whether they took a full, uninterrupted 30-minute lunch break. Defendants also had a common policy and/or practice of understating the hours worked by Aggrieved Employees because Defendants would routinely not reflect actual hours worked on pay stubs in order to avoid paying them for all the hours worked. Additionally, Employees were not compensated for all hours worked when operating under alternative workweek agreements.

Defendants have the ability to pay minimum and overtime wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). The other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff and Aggrieved Employees are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Overtime Wages in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, the uncompensated time, discussed above, caused Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day and/or 40 hours a week, entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours



worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off-the-clock work including operating under alternative workweek agreements and miscalculating the regular rate of pay, as addressed above, and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off-the-clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate. Additionally, as discussed above Defendants improperly changed, adjusted and/or modified Plaintiff and Aggrieved Employees hours in order to avoid paying them for all hours worked.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of 8, 10, and 12 hours in a given day, and/or forty hours in a given week. Defendants did not make available to Aggrieved Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Aggrieved Employee's detriment. Defendants have also violated these provisions by requiring other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off-the-clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff and Aggrieved Employees are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Vacation Wages

Pursuant to California Labor Code § 227.3, whenever a contract of employment or employment policy provides for paid vacation and an employee is terminated without having taken off the vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with said contract of employment or policy respecting eligibility or time served. Defendants paid non-discretionary bonuses and/or commissions to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which vacation wages were calculated and paid. Plaintiff and Aggrieved Employees seek to recover



penalties pursuant to Labor Code § 227.3. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code § 227.3 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Comply with Labor Code §§ 245 *et seq.* and 246

California Labor Code § 245 *et seq.* requires that Defendants provide paid sick time to Aggrieved Employees, including at the amount, terms, and rate of compensation set forth in said law. At times relevant, Defendants have failed compute the amount due for paid sick time in conformance with the pay calculation under California Labor Code § 246(l). Defendants paid non-discretionary bonuses and/or commissions to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which sick pay was calculated and paid. Rather than calculating the amount of paid sick time due when sick time is used according to the requirements set forth in California Labor Code § 246(l), Defendants paid sick leave to Aggrieved Employees at a lower rate, in violation of the law. As a result of Defendants' conduct, Defendants have violated California Labor Code §§ 245 *et seq.* and 246. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 245 *et seq.* and 246. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code §§ 245 *et seq.* and 246 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code §§ 245 *et seq.* and 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take lawful meal periods in compliance with California Law. Specifically, due to understaffing and heavy workloads, Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Additionally, the uncompensated pre-shift duties, discussed herein, further delayed Aggrieved Employees' meal periods to commence after to the completion of the fifth and tenth hours of work.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy and practice of not scheduling each meal period as part of each work shift; and (2) Defendants' policy and practice of requiring putative Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage



Order provisions. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff and Aggrieved Employees is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of four (4) or more consecutive hours, as required by Labor Code. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; and (2) policy and practice of requiring Aggrieved Employees to continue working through their rest breaks due to the excessive workload.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any rest period premiums, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff and Aggrieved Employees are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements



twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of Aggrieved Employees. Additionally, the wage statements given to Aggrieved Employees, by Defendants, failed to include the above requirements enumerated above. Aggrieved Employees' wage statements did not include: the total hours worked in violation of Labor Code § 226(a)(2) and failed to accurately set forth all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each such rate in violation of Labor Code § 226(a)(9). The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Aggrieved Employees. z

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

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Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not accurately recording start and end times for shifts and meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records accurately showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802

Defendants required Aggrieved Employees to pay for necessary work-related expenses they incurred. For example, Defendants required Aggrieved Employees to their personal mobile phone devices for work-related activities, such as requiring Plaintiff and Class members to download apps for work related purposes and responding to work related calls and messages outside working hours. Plaintiff worked from home and was not reimbursed for any of the operating costs from



working from home, such as internet and utilities. Plaintiff also had to purchase various computer equipment and office supplies necessary to perform her job duties from home, such as a chair, desk, headphones, riser for laptop, wifi booster, and desk lamp. Indeed, Defendants had a written policy that stated Employees are personally responsible for ongoing operating costs when working from home. Defendants thus uniformly failed to reimburse those lawful and necessary work-related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees.

Accordingly, Plaintiff and Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

The Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 et seq., 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, et seq. and 2802, including as follows:

(a) **Wage Claims:** For failure to provide the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked, under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) **Failure to Pay Vacation Wages:** For Defendants' failure to provide Employees with all their vacation days in violation of Labor Code § 227.3 and seeking the civil and



statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Failure to Provide Paid Sick Days: For Defendants' failure to provide Employees with all their required and earned sick days in violation of Labor Code §§ 245 *et seq.* and 246 the civil and statutory penalties available and applicable under Labor Code §§ 245 *et seq.* and 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(d) Meal and Rest Period Claims: For failure to provide the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(g) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);



(h) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5 and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

A handwritten signature in blue ink, appearing to read 'David Yeremian', written over the printed name.

David Yeremian

Cc: Skyslope, Inc., by Certified Mail

EXHIBIT 3