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Attorneys for Plaintiff Darlene M. Stroud,
on behalf of herself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

DARLENE M. STROUD, an individual, on
behalf of herself and others similarly situated,

Plaintiff,

vs.

JM WEST, INC., d/b/a Jersey Mike's Subs, a
California Corporation; JM WEST II, INC., d/b/a
Jersey Mike's Subs, a California Corporation;
JM SANTA MARIA LP, d/b/a Jersey Mike's
Subs, a California limited partnership; JM
ARROYO GRANDE LP, d/b/a Jersey Mike's
Subs, a California limited partnership; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 24STCV06910

Assigned To:
Hon. Laura Siegle
Dept.: 17

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF MOTION FOR APPROVAL
OF THE PARTIES' JOINT STIPULATION
OF REPRESENTATIVE PAGA ACTION
SETTLEMENT**

Hearing Date: July 2, 2025
Time: 9:00 a.m.
Department: 17

Complaint Filed: March 19, 2024
Amended Complaint Filed: May 23, 2024
Trial Date: Not Yet 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 Court for the Central, Southern, Eastern, and Northern Districts of California.

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 Plaintiff's Motion for Approval of the Parties' Joint Stipulation of Representative PAGA Action Settlement and Release of Claims ("Settlement Agreement") under California Labor Code 2698 *et seq.* The Parties' Settlement Agreement and Amendment thereto is attached hereto as **Exhibit 1**.

4. On March 19, 2025, Plaintiff Darlene M. Stroud filed her proposed class action complaint against Defendant, asserting the following causes of action: (1) Failure to Pay Minimum Wages and for All Hours Worked; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Failure to Pay Vacation Wages Under Labor Code § 227(e); (4) Failure to Provide Suitable Seating; (5) Meal Period Liability Under Labor Code § 226.7; (6) Rest-Break Liability Under Labor Code § 226.7; (7) Violation of Labor Code § 226(a); (8) Violation of Labor Code § 221; (9) Violation of Labor Code § 204; (10) Violation of Labor Code § 203; (11) Violation of Labor Code § 245 and § 246; (12) Failure to Reimburse Necessary Uniform and Business Expenses under Labor Code § 2802; and (13) Violation of Business & Professions Code § 17200 *et seq.* (“the

1 Action”);

2 5. On March 19, 2024, Plaintiff filed a claim online with the California Labor & Workforce
3 Development Agency (the “LWDA”) pursuant to Labor Code § 2699.3(a)(1) and gave notice to
4 Defendants (“PAGA Notice”). The PAGA Notice is attached hereto as **Exhibit 2**. The PAGA
5 Notice sought civil penalties and alleged claims against Defendants for failure to pay minimum
6 wages, failure to pay wages and overtime in violation of Labor Code § 510, failure to pay vacation
7 wages in violation of Labor Code § 227.3, failure to provide suitable seating to employees under
8 the wage orders, failure to provide meal and rest breaks, failure to issue accurate wage statements,
9 unlawfully collecting or receiving wages in violation of Labor Code § 221, failure to issue
10 semimonthly payments in violation of Labor Code § 204, failure to maintain records in accordance
11 with Labor Code § 1174, failure to pay waiting time penalties, failure to provide information upon
12 hiring pursuant to Labor Code § 2810.5, and failure to reimburse business expenses Labor Code §
13 2802. The LWDA did not respond to the PAGA Notice and did not notify Plaintiff that it intended
14 to investigate Plaintiff’s allegations.

15 6. On May 23, 2024, 65 days after Plaintiff’s submission of the PAGA Notice, Plaintiff
16 filed a First Amended Complaint, alleging fourteen causes of action, including civil penalties under
17 PAGA (“Operative Complaint”).

18 7. The Parties met and conferred about the claims and issues in this case, including the
19 existence of an arbitration agreement between the Parties, and agreed to explore the resolution of
20 the representative component of the case through mediation with a highly respected mediator. On
21 December 6, 2024, the Parties mediated this matter before Todd Smith, a well-respected
22 employment law mediator, and reached a settlement.

23 8. Before filing the lawsuit, PAGA Counsel investigated and researched the facts and
24 circumstances underlying the pertinent issues and the law applicable thereto. This required
25 thorough discussions and interviews between PAGA Counsel and Plaintiff, as well as preliminary
26 research into the various legal issues involved in the case. After conducting our initial
27 investigation, we determined that Plaintiff’s claims were well-suited to proceed on a representative
28 basis owing to what appeared to be a common course of conduct affecting a similarly situated

1 group of employees.

2 9. After initiating the Action, the Parties met and conferred about the claims and issues in
3 this case, including Defendants' position that JM West, Inc. and JM West II, Inc. were erroneously
4 named on the Action, and as a result, the Parties agreed to dismiss the two erroneously named
5 defendants without prejudice and provided notice to the LWDA. The Parties also discussed the
6 existence of an arbitration agreement between the Parties and thereafter agreed to explore the
7 resolution of the representative component of the case through mediation with a highly respected
8 mediator. Prior to mediation, Defendants provided data, numbers, and documents, including job
9 descriptions for positions the PAGA Group held, various iterations of Defendants' employee
10 handbooks and onboarding documents provided to the PAGA Group on their first day, such as
11 Defendants' wage and hour policies, arbitration agreement (unsigned), etc. Defendants also
12 provided a 20% sampling of the PAGA Group's timekeeping records and corresponding payroll
13 data, as well as information relating to the number of Aggrieved Employees and PAGA Pay
14 Periods.

15 10. The information and data exchanged by Plaintiff and Defendants prior to and during
16 mediation and settlement negotiations were sufficient to reliably assess the merits of the Parties'
17 respective positions, to compromise the issues on a fair and equitable basis, and to devise a formula
18 for distribution of civil penalties among the PAGA Group that took into consideration the strength
19 of the PAGA claims.

20 **SETTLEMENT NEGOTIATIONS AND TERMS**

21 11. On December 6, 2024, the Parties attended an all-day mediation with Todd Smith.
22 During mediation, the Parties exchanged further information and discussed all aspects of the case,
23 including Plaintiff's claims, Defendants' defenses, procedural challenges in this case, and the
24 prospects of further litigation. The Parties recognized that the issues presented in the Action are
25 likely only to be resolved with extensive and costly pretrial and trial proceedings and that further
26 litigation would lead to inconvenience, distraction, disruption, delay, and expense disproportionate
27 to the potential benefits of litigation. The Parties took into account the risk and uncertainty of the
28 outcome inherent in any litigation in representative actions such as this one.

12. With the assistance of a highly respected wage and hour mediator, the Parties agreed to the general terms for settling this Action and negotiated and executed the long-form Settlement Agreement.

13. The Parties believe and agree that the PAGA Settlement provides for a fair, adequate, and reasonable resolution of the Action, and the Parties arrived at the Settlement after extensive, arm's-length negotiations, considering all relevant present and potential factors. PAGA Counsel believes that the Settlement confers real benefits upon the State and PAGA Group and that an independent review of the Settlement by the Court in the approval process will confirm this conclusion.

14. For the purpose of the Settlement, "PAGA Group" is defined as: all current and former hourly-paid, non-exempt employees of Defendants in California during the PAGA Period. (Exhibit 1, ¶ 1.15.) The PAGA Period is defined as the period from March 19, 2023, through January 25, 2025. (Exhibit 1, ¶ 1.16.) "Aggrieved Employees" are defined as individuals who are members of the PAGA Group (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest, evidenced by reasonable verification). (Exhibit 1, ¶ 1.15.)

15. Based on its records, Defendants represent that as of December 3, 2024, the number of Pay Periods worked by the Aggrieved Employees in the PAGA Period is approximately 1,132. (Exhibit 1, ¶ 1.10.) Should the number of Pay Periods worked by the Aggrieved Employees as of January 25, 2025, increase by more than 10% (i.e., to more than 1,246 Pay Periods), then Defendants shall have the option of either (i) increasing the Maximum Settlement Amount by an amount determined by the following formula: $[(\text{Actual Number of Pay Periods} - 1,246) \div 1,246] \times \text{Maximum Settlement Amount}$; or (ii) changing the end date of the PAGA Period to a date for which there are no more than 1,246 Pay Periods. (Exhibit 1, ¶ 10.)

16. The Settlement Agreement requires Defendants to pay the total sum of Seventy-Five Thousand Dollars and Zero Cents (**\$75,000.00**) (the "Maximum Settlement Amount"). The Maximum Settlement Amount will be allocated as follows, pending Court approval:

a) Attorneys' fees in the amount of **\$25,000.00** ("PAGA Counsel Fees Payment")

and actual litigation costs in the amount of \$17,998.29 (“PAGA Counsel Litigation Expenses Payment”), which is less than the \$20,000 “not-to-exceed” amount allocated in the Settlement Agreement;

- b) Administration costs of no more than **\$2,750.00** to be paid to the Settlement Administrator, Phoenix Class Action Administration Solutions (“Phoenix”), for sending notices and for calculating settlement shares and preparing all checks and mailings (“Settlement Administrator Payment”); and
- c) The remainder of the Maximum Settlement Amount after deducting the above costs (“Net Settlement Amount”) is approximately **\$29,251.71** and shall be designated as the “PAGA Settlement Payment” to be allocated between the LWDA and the PAGA Group pursuant to Labor Code section 2699(i), with 75% (\$21,938.78) being paid to the LWDA (“LWDA Payment”) and 25% (\$7,312.93) being paid to the PAGA Group on a pro-rata basis as “Aggrieved Employee Payment Share(s)”. The average Aggrieved Employee Payment Share to the PAGA Group will be approximately \$103 (\$7,312.93 divided by 71 Aggrieved Employees, which is the approximate number of Aggrieved Employees based on the data given at the time of mediation).

17. From PAGA Counsel’s review of the facts, strengths, and weaknesses of the case, the risks and delays posed by further litigation, and PAGA Counsel’s own prior litigation experience, PAGA Counsel believes that the recovery for each Aggrieved Employee is fair and reasonable taking into consideration the amounts received in other PAGA actions, the risks inherent in litigation of this genre, and the reasonable tailoring of each Aggrieved Employee’s claim to the settlement award he or she will receive. Further, and based on the settlement negotiations, which were extensive and conducted in good faith and at arm’s length between attorneys with substantial experience litigating PAGA actions, the Settlement Agreement and Amendments was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

THE STRENGTH OF THE CASE IN LIGHT OF THE SETTLEMENT AMOUNT

1 18. Plaintiff alleges that Defendants violated various provisions of California law and seeks
2 civil penalties for the foregoing violations pursuant to Labor Code § 2699 *et seq.* Under Labor
3 Code § 2699, specifically, Plaintiff alleges that Defendant:

- 4 • Failed to pay Aggrieved Employees minimum wages and overtime for “off-the-clock”
5 work, including requiring Aggrieved Employees to submit their total hours worked via
6 text message to their supervisor rather than having them contemporaneously record all
7 hours worked.
- 8 • Failed to provide Aggrieved Employees with compliant meal periods because their
9 meal periods, when provided, were frequently interrupted due to pressing work
10 demands. Additionally, due to the heavy workload and understaffing, Plaintiff and
11 Aggrieved Employees were also required to be available and in the parking lot area
12 during meal periods.
- 13 • Failed to provide Aggrieved Employees with compliant rest periods, as they frequently
14 received interrupted, shortened, or no rest periods at all. Specifically, Defendants
15 provided rest periods untimely or for shortened durations due to the heavy work
16 demands.
- 17 • Failed to pay Aggrieved Employees for all unused vacation time at the time of
18 termination of employment.
- 19 • Failed to provide Aggrieved Employees with suitable seating.
- 20 • Failed to issue accurate wage statements, including the failure to include all hours
21 worked by Aggrieved Employees.
- 22 • Failed to comply with Labor Code § 221 by unlawfully collecting and receiving any
23 part of Aggrieved Employees’ earned wages.
- 24 • Failed to timely pay all wages due to Aggrieved Employees on a semimonthly basis.
- 25 • Failed to keep records showing payroll data and the hours worked daily by Aggrieved
26 Employees.
- 27 • Failed to pay all wages earned by and owed to Aggrieved Employees at the time of
28 their termination within seventy-two hours of their resignation.

- Failed to provide Aggrieved Employees paid sick days and COVID supplemental sick leave.
- Failed to reimburse Aggrieved Employees for business expenses, including the cell phone-related expenses Plaintiff incurred in conducting work-related activities such as clocking in and out, texting and calling the supervisors, checking schedules, downloading work apps, and taking Zoom calls.

19. Defendants denied and continue to deny all of the claims made by Plaintiff in this Action and contend that they acted at all relevant times in conformance with the law. Defendants contend that Plaintiff and Aggrieved Employees were paid for all hours worked and that Defendants prohibited Plaintiff and Aggrieved Employees from working beyond their scheduled shifts; that Defendants provided Plaintiff and Aggrieved Employees with compliant meal periods and rest breaks and that any deviations were at the voluntary election of Plaintiff and/or Aggrieved Employees and not at the request of Defendants or due to work requirements; that Defendants provided suitable seating for employees; that Defendants paid all wages due on a timely basis; that Defendants paid all wages due on a timely basis and using Labor Code compliant instruments; that Defendants' wage statements complied with the law; and that neither Plaintiff nor any Aggrieved Employees incurred reasonable business-related expenses for which they were not reimbursed. Defendants further contend that their above defenses are supported by their written policies applicable to Plaintiff and Aggrieved Employees. As a result, PAGA Counsel had to appropriately discount the amount recoverable from Defendants in a settlement.

PAGA Penalties

20. The Private Attorneys General Act, Labor Code § 2699 *et seq.*, allows Plaintiff to obtain civil penalties on behalf of herself and other PAGA Group for Defendants' violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code

§ 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the LWDA, with the remaining twenty-five percent (25%) allocated to the affected employees. However, under *Amaral v. Cintas*, 163 Cal. App. 4th 1157, 1207-09 (2008), the Court held that a lower penalty amount of \$100 per violation applies in the absence of a determination that a violation actually occurred.

21. Plaintiff estimated that the maximum potential exposure on the PAGA claim is \$113,200.00, calculated by multiplying the total number of PAGA Pay Periods (1,132) by \$100 per violation. Plaintiff's calculation of the total potential exposure on the PAGA claim was based on one PAGA penalty per PAGA Pay Period (i.e., Plaintiff did not stack the PAGA penalties in their damages calculation).

22. Case law supports the notion that it is inappropriate to "stack" penalties for multiple violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v. Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189 Cal.App.4th 562, 577 (2010)). ("One injury gives rise to only one claim for relief...The violation of one primary right constitutes a single cause of action."; *Crowley v. Katleman*, 8 Cal. 4th 666, 681-82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012) ("There is no authority that "would permit double recovery of essentially the same penalties.")

23. PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." (See *Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision) (emphasis added); see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald's Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien, Inc.* (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to

1 \$375,000).). In departing from the \$100/pay period calculation to arrive at the \$75,000.00
2 Maximum Settlement Amount in this case, Plaintiff considered what the realistic potential
3 exposure could be and why the Court may reduce any eventual recovery at its discretion, including
4 Defendant's defenses to the claims and the potential manageability issues with PAGA claims at
5 trial. Based on those considerations, Plaintiff concluded that a discount would have to be applied
6 to the maximum potential exposure to arrive at the settlement amount.

7 24. The Maximum Settlement Amount of \$75,000.00 is approximately 66.25% of the
8 maximum potential exposure of \$113,200.00. The Maximum Settlement Amount, therefore,
9 represents a strong value at approximately \$66.25 per PAGA Pay Period. From PAGA Counsel's
10 review of the facts, strengths, and weaknesses of the case, and the risks and delays posed by further
11 litigation, PAGA Counsel believes that the recovery for the State and Aggrieved Employee is fair
12 and reasonable.

13 **REQUEST FOR ATTORNEYS' FEES AND COSTS**

14 25. PAGA Counsel is requesting a PAGA Counsel Fees Payment in the amount of
15 **\$25,000.00** for attorneys' fees and a PAGA Counsel Litigation Expenses Payment of **\$17,998.29**
16 for litigation costs incurred in prosecuting this Action. D.Law, Inc.'s cost log for this matter is
17 attached hereto as **Exhibit 3**. The Parties, in their Settlement Agreement, agreed to an amount of
18 up to \$20,000.00 for PAGA Counsel Litigation Expenses Payment, which Defendants do not
19 oppose. The lion's share of these costs was incurred in connection with mediation, and the others
20 listed were all reasonably incurred and necessary to the prosecution of this Action.

21 26. This request is fair, reasonable, and adequate to compensate PAGA Counsel for the
22 substantial work they have put into this case and the risk they assumed by taking it in the first
23 place. The attorneys' fees award is intended to reimburse PAGA Counsel for all uncompensated
24 work that they have already done and for all the work they will continue to do in carrying out and
25 overseeing the notification to the PAGA Group, communicating with the PAGA Group regarding
26 their claims, and assisting in the administration of the Settlement if it is approved.

27 27. Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk
28 and cost of litigation associated with this Action on a pure contingency basis. As a result, PAGA

Counsel have yet to receive any compensation for the amount of time and money invested in the case to date.

28. Contingent-fee cases present the very real risk of working hundreds if not thousands of hours that may never be entirely compensated. Moreover, while the case is being litigated, counsel must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases pay the out-of-pocket expenses incurred on the Plaintiff's behalf. And the prospect of a court-awarded fee does not greatly reduce the risk posed by these cases. In many cases, the prospect is nothing more than a potential that never materializes. First, you must win the case to get a court-awarded fee; even those cases that seem strongest at the onset can be lost and sometimes are lost. Second, there are always pitfalls and unforeseen obstacles that arise along the way, such as settlement offers that the client may accept without ensuring that we receive a reasonable fee or changes in the law that substantially affect the merits of the case, or other uncertainties involving the client. Finally, there is the great risk inherent in advancing tens if not hundreds of thousands of dollars in out-of-pocket expenses. If that money were to be invested in some sort of financial investment, one would expect a reasonable rate of return on that investment. Here, however, the best we can hope to recover is our money, and then only if we are substantially successful; if we are not, all or part of this "investment" can be lost.

29. PAGA Counsel is well acquainted with the contingent fee market throughout California, particularly as it pertains to PAGA and class action litigation. PAGA Counsel has negotiated numerous contingency-fee agreements with plaintiffs, both as individuals and as representatives in class-action and PAGA suits. Many of those agreements required that counsel receive a fee under certain scenarios that exceed thirty-five percent of the recovery. PAGA Counsel's recent attorneys' fees awards in similar wage-and-hour class and PAGA actions have been 35% of the recovery.

30. PAGA counsel in contingency-fee cases have received attorneys' fees equal to or greater than one-third of the gross settlement amount. See *Crandall v. U-Haul* (Los Angeles County Super. Ct., Case No. BC178775), the Honorable Steven Czuleger awarded a 40% attorney fee request in an overtime-exemption class action; in *Bushnell v. Cremer, Inc.* (Orange County Super. Ct., Case

No. 657778), the Honorable Donald E. Smallwood awarded attorneys' fees in the amount of 38%; in *Abzug v. Kerkorian* CA000981 (Los Angeles County Super. Ct., November 1990), the Honorable R. William Schoettler awarded a 45% fee; in *Haitz v. Meyer, et al.*, Alameda County Super. Court, 8-20-1990 No. 572968-3, the court awarded a 40% fee; in *Elliott v. Clothestime* (Orange County Super. Ct., Case No. 01-CC00333) the Honorable Jonathan Cannon awarded a 40% fee in a wage-and-hour class action which had not yet proceeded to the class certification stage; in both *Rippee v. Boston Market Corporation*, Case No.: 05 CV 1359 BTM (JMA) and *Barile v. Boston Market Corporation*, Case No.: 05 CV 1360 BTM (JMA), the Honorable Judge Barry T. Moskowitz awarded a 40% fee to Plaintiff's counsel in wage-and-hour class actions that had not proceeded to the class-certification stage.

31. Moreover, PAGA Counsel spent substantial time on this matter. Aside from drafting the initial complaint, PAGA Counsel conducted informal discovery, reviewed and analyzed time and pay records, employment handbooks, Plaintiff's personnel file, relevant policies, and other documentation, researched the applicable law and potential defenses, constructed damage models based on interpretations of California law, reviewed information provided by Defendants at the mediation, engaged in meet and confer efforts with Defendant, drafted and revised the settlement agreement, and drafted this Motion. PAGA Counsel conservatively estimates that it invested at least **138.80** hours of attorney time in this matter. I have invested at least **12.00** hours for a total of **\$9,000.00** in attorneys' fees ($\$750/\text{hr} \times 12.0 \text{ hours} = \$9,000.00$). Senior Attorney Alvin B. Lindsay invested approximately **27.50** hours for a total of **\$22,000.00** ($\$800/\text{hr} \times 27.50 \text{ hours} = \$22,000.00$). Associate Attorney Melissa Rodriguez invested approximately **20.30** hours for a total of **\$8,120.00** in attorneys' fees ($\$400/\text{hr} \times 20.30 \text{ hours} = \$8,120.00$). Associate Jean Power invested approximately **69** hours for a total of **\$34,500.00** in attorneys' fees ($\$500/\text{hr} \times 69 \text{ hours} = \$34,500.00$). Managing Attorney David Yeremian invested at least **10** hours for a total of **\$8,500.00** ($\$850/\text{hr} \times 5 \text{ hours} = \$8,500.00$). Therefore, PAGA Counsel has collectively incurred **138.80** hours and **\$82,120.00** in fees.

32. The below table summarizes PAGA Counsel's total hours, billables, and costs:

Attorney/Firm	Total	Total Billables	Costs
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	Hours		
Enoch Kim	12	\$9,000.00	
David Yeremian	10	\$8,500.00	
Alvin B. Lindsay	27.5	\$22,000.00	
Jean Power	69	\$34,500.00	
Melissa Rodriguez	20.30	\$8,120.00	
Total:	138.80	\$82,120.00	\$17,998.29

33. In light of the foregoing, the PAGA Counsel Fees Payment request in an amount equal to one-third of the settlement in this case is well within the bounds that have been established by the above-cited authority.

34. No positive multiplier is needed here as the lodestar amount far exceeds the requested fees of \$25,000.00.

EXPERIENCE AND VIEWS OF COUNSEL

35. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as Plaintiff's counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

36. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the PAGA Group 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 this Court.

37. D.Law has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. *De La Rosa v. The Coca Cola Company et al.* (Superior Court of California in Napa, 17CV000787), *Harvey v. Bed Bath & Beyond of California Limited Liability Company* (Superior Court of California in Alameda, RG17885153), *Paredes v. Bottling Group LLC et. al.* (Superior Court of California in Kern), *Ramirez v. Harris Ranch Beef Company* (Superior Court of California in

1 Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-
2 cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los
3 Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles,
4 BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
5 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
6 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
7 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court
8 of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global
9 et al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real
10 Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445),
11 Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836),
12 Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK),
13 Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO),
14 Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA),
15 Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v.
16 The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau
17 v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra
18 Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior
19 Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare
20 California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v.
21 Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez
22 v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC
23 Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford
24 v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles,
25 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-
26 18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307),
27 Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687),
28 Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County,

30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Virdi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

38. I am Senior Counsel at D.Law, where I manage the class action and PAGA settlement department. I was admitted to the California Bar in December 2008. I received my J.D. from Pepperdine University School of Law and B.S. from University of Southern California. Since graduating from law school, I have dedicated virtually my entire career on the practice of employment law. I have practiced employment law from the plaintiff's side, defense side, and from an in-house position. I have significant experience specifically working on wage and hour class actions from the plaintiff's side as well as the defense side, with the majority of my experience coming from the plaintiff's side.

39. Attorney Alvin B. Lindsay received his Juris Doctorate from Whittier Law School. Upon graduating from law school, he exclusively focused his practice on representing employees including in wage-and-hour class actions. During his career, he has represented employees in over 100 wage-and-hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern, and Northern Districts of California), and he has obtained six and seven-figure

1 settlements against a range of defendants, including Fortune 500 companies. These cases have
2 involved the gamut of wage-and-hour claims, including claims for failure to pay minimum wages,
3 unpaid wages and overtime, inaccurate pay statements, and failure to pay timely wages - similar
4 to claims at issue in the present matter.

5 40. The collective experience of the D.Law attorneys in litigating employment wage and
6 hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses
7 of a case, and generally negotiating fair and reasonable class and representative action settlements.
8 This experience is helpful in assessing the reasonableness of settlements such as the one at issue
9 here.

10 41. In sum, PAGA Counsel are experienced in employment class action and PAGA
11 litigation and are adequate to represent the PAGA Group in the instant action.

12 **SETTLEMENT ADMINISTRATION AND NOTICE**

13 42. The Parties agreed to use Phoenix Class Action Administration Solutions as the third-
14 party Settlement Administrator in this case. Phoenix will be responsible for updating PAGA
15 Group's addresses, mailing a notice of Settlement, and calculating and distributing the settlement
16 checks, among other duties. Phoenix capped its fees at \$2,750.00 for administering the Settlement
17 and based on PAGA Counsel's experience in other class and PAGA settlements, Phoenix's costs
18 for administering this Settlement are fair and reasonable.

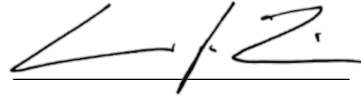
19 43. The Settlement Administrator will mail the Aggrieved Employee Payment Share, along
20 with a letter entitled Notice of the PAGA Representative Action Settlement ("PAGA Notice of
21 Settlement") to the PAGA Group. The PAGA Notice of Settlement includes, among other things,
22 an explanation of PAGA, a description of the allegations in the Action and the scope of released
23 claims, and a statement of the Maximum Settlement Amount and payment allocations from the
24 Maximum Settlement Amount. The PAGA Notice of Settlement, which will also be translated into
25 Spanish, is attached hereto as **Exhibit 4**.

26 44. On June 6, 2025, my office submitted the proposed Settlement and the Motion to the
27 LWDA. Attached hereto as **Exhibit 5** is a true and correct copy of the confirmatory email my
28 office received from the LWDA after the submission of the Settlement.

1 45. The Parties are not aware of any class or other representative action in any other court
2 that asserts claims similar to those alleged in the action being settled.

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

5 Executed this 6th day of June , 2025 at Glendale, California.

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8 Enoch J. Kim
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EXHIBIT 1

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Attorneys for Plaintiff, DARLENE M. STROUD

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

DARLENE M. STROUD, on behalf of herself
and others similarly situated,

Plaintiff,

vs.

JM WEST, INC., d/b/a Jersey Mike's Subs, a
California Corporation; JM WEST II, INC., d/b/a
Jersey Mike's Subs, a California Corporation; JM
SANTA MARIA LP, d/b/a Jersey Mike's Subs, a
California limited partnership; JM ARROYO
GRANDE LP, d/b/a Jersey Mike's Subs, a
California limited partnership; and DOES 1
through 50, inclusive,

Defendants

Case No.: 24STCV06910

REPRESENTATIVE PAGA ACTION

**JOINT STIPULATION OF
REPRESENTATIVE PAGA ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

*[Assigned for All Purposes to the Hon.
Laura Siegle; Dept. 17]*

Complaint Filed: March 19, 2024
Trial Date: Not Yet Set

1 This Joint Stipulation of Representative PAGA Action Settlement and Release of Claims
2 (“Settlement” or “Agreement”) is made and entered into by and between Plaintiff DARLENE M.
3 STROUD (“Plaintiff”), individually and on behalf of all aggrieved employees, and Defendants JM
4 SANTA MARIA LP and JM ARROYO GRANDE LP (collectively the “Defendants”). Plaintiff
5 and Defendants are collectively referred to herein as “the Parties.”

6 **I. DEFINITIONS**

7 The following definitions are applicable to this Settlement, in addition to other terms defined
8 elsewhere in this Settlement:

9 1. “Action” shall mean *Darlene M. Stroud v. JM West, Inc. et al.*, Case No.
10 24STCV06910, filed on March 19, 2024, in the Superior Court for the State of California, County
11 of Los Angeles and the operative Complaints filed therein.

12 2. “Aggrieved Employee Payment” shall mean the payment, distributed on a *pro rata*
13 basis, to the Aggrieved Employees constituting twenty-five percent (25%) of the Net Settlement
14 Amount, currently estimated to be Six Thousand, Eight Hundred and Twelve Dollars and Fifty
15 Cents (\$6,812.50).

16 3. “Aggrieved Employee Payment Share” shall mean the value of each Aggrieved
17 Employee’s share of the Aggrieved Employee Payment as provided by this Agreement.

18 4. “Defense Counsel” shall mean the attorneys representing Defendants in the Action,
19 Andrea Rosenkranz, Esq. of O’Hagan Meyer.

20 5. “Effective Date” shall mean the date by which this Settlement is approved by the
21 Superior Court by entry of the Judgment and the Judgment becomes Final. If no appeal is filed, the
22 Effective Date shall occur 60 calendar days from entry of Judgment by the Court. If a timely appeal
23 is filed, the Judgment shall become final on the date all appeals from the Judgment have been fully
24 adjudicated. The occurrence of the Effective Date is a prerequisite to any obligation of Defendants
25 to pay any funds into the Settlement Account and to any release of claims by Plaintiff and
26 Aggrieved Employees under this Agreement.

27 6. “Individual Pay Periods” shall mean the number of Pay Periods for an individual
28 Aggrieved Employee.

1 7. “Judgment” shall mean the Order of Final Judgment entered by the Superior Court
2 that the Parties anticipate will be entered following a Hearing on the Settlement in this Action.

3 8. “LWDA Payment” shall mean the payment to the California Labor and Workforce
4 Development Agency (“LWDA”) constituting seventy-five percent (75%) of the Net Settlement
5 Amount, currently estimated to be Twenty Thousand, Four Hundred and Thirty-Seven Dollars and
6 Fifty Cents (\$20,437.50).

7 9. “Maximum Settlement Amount” shall mean the maximum settlement amount of
8 Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) payable by Defendants as provided
9 by this Agreement, unless that amount is increased pursuant to Paragraph 10 below.

10 10. Defendants represent that as of December 3, 2024, the number of Pay Periods
11 worked by the Aggrieved Employees in the PAGA Period is approximately 1,132. Should the
12 number of Pay Periods worked by the Aggrieved Employees as of January 25, 2025, increase by
13 more than 10% (i.e., to more than 1,246 Pay Periods), then Defendants shall have the option of
14 either (i) increasing the Maximum Settlement Amount by an amount determined by the
15 following formula: $[(\text{Actual Number of Pay Periods} - 1,246) \div 1,246] \times \text{Maximum Settlement}$
16 Amount ; or (ii) changing the end date of the PAGA Period to a date for which there are no more
17 than 1,246 Pay Periods. If this provision is triggered and Defendants elect to increase the
18 Maximum Settlement Amount, the PAGA Counsel Fees Payment will proportionately increase
19 such that the PAGA Counsel Fee Payment remains one-third of the Maximum Settlement Amount.
20 Defendants shall provide the number of Pay Periods as of January 25, 2025 to the Settlement
21 Administrator within fourteen (14) days of the granting of Plaintiff’s Motion for Approval and if the
22 number of Pay Periods exceeds 1,246, Defendants shall notify Plaintiff of their election under this
23 Paragraph at the same time the number of Pay Periods is provided to the Settlement Administrator.
24 Should an updated number of Pay Periods be required for approval of the PAGA settlement,
25 Defendant will provide PAGA Counsel with the number of Pay Periods within seven (7) days of
26 being informed of this requirement or within any court-imposed deadlines.

27 11. “Net Settlement Amount” shall mean the Maximum Settlement Amount, less (i) the
28 PAGA Counsel Fees Payment approved by the Superior Court; (ii) the PAGA Counsel Litigation

1 Expenses Payment approved by the Superior Court; (iii) the Settlement Administrator Payment
2 approved by the Superior Court; and (iv) any other fees or expenses (other than PAGA Counsel
3 Fees Payment and PAGA Counsel Litigation Expenses Payment) incurred in implementing the
4 terms and conditions of this Agreement as approved by the Superior Court.

5 12. "PAGA Counsel" shall mean the attorneys representing Plaintiff in the Action, Emil
6 Davtyan, David Yeremian, Alvin B. Lindsay, Jean Hopkins Power, Enoch Kim, and Melissa
7 Rodriguez of D.LAW, INC.

8 13. "PAGA Counsel Fees Payment" shall mean one-third of the Maximum Settlement
9 Amount (currently estimated to be Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00))
10 subject to approval by the Superior Court as PAGA Counsel's attorneys' fees incurred in
11 connection with the Action, including fees incurred in pre-filing investigation, filing of the Action,
12 and all related litigation activities, this Settlement, and all post-Settlement compliance procedures.

13 14. "PAGA Counsel Litigation Expenses Payment" shall mean the actual litigation
14 expenses and/or costs expended by PAGA Counsel subject to approval by the Superior Court
15 incurred in connection with the Action, including pre-filing investigation, filing of the Action, and
16 all related litigation activities, this Settlement, and all post-Settlement compliance procedures.
17 PAGA Counsel's expenses are not to exceed Twenty Thousand Dollars and Zero Cents
18 (\$20,000.00).

19 15. "PAGA Group" shall mean all current and former hourly-paid, non-exempt
20 employees of Defendants in California during the PAGA Period. "Aggrieved Employee" shall
21 mean an individual who is a member of the PAGA Group (or if any such person is incompetent,
22 deceased, or unavailable due to military service, the person's legal representative or successor in
23 interest evidenced by reasonable verification).

24 16. "PAGA Period" shall mean the period of time from March 19, 2023, through
25 January 25, 2025.

26 17. "PAGA Settlement Notice" shall mean the Notice of Settlement, a sample of which
27 is attached hereto as Exhibit "A". The PAGA Settlement Notice shall further contain (i) an
28 Aggrieved Employee's first and last name, (ii) last known address, (iii) the Aggrieved Employee's

Individual Pay Periods; and (iv) the Aggrieved Employee's Aggrieved Employee Payment Share.

18. "Pay Period" shall mean any pay period in which an Aggrieved Employee actually received payment from Defendants as an hourly-paid, non-exempt employee.

19. "Settlement Administrator" shall mean Phoenix Settlement Administrators proposed by the Parties and appointed by the Superior Court to administer the Settlement.

20. "Settlement Administrator Payment" shall mean the payment to the Settlement Administrator for its fees and expenses in administering this Settlement.

21. "Superior Court" shall mean the Superior Court of California for the County of Los Angeles.

II. RECITALS

22. On March 19, 2024, Plaintiff on behalf of the PAGA Group, gave written notice to the Labor Workforce and Development Agency ("LWDA") of the Labor Code violations Defendants are alleged to have violated ("LWDA Exhaustion Letter").

23. On March 19, 2024, Plaintiff filed a Class Action Complaint against Defendants in the Los Angeles Superior Court, Case No. 24STCV06910. In her Complaint, Plaintiff alleged the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages (§§ 1194, 1197, 1197.1); (2) Failure to Pay Overtime Wages (§ 510); (3) Failure to Pay Vacation Wages (§ 227.3); (4) Failure to Provide Suitable Seating (§ 1198); (5) Failure to Provide Meal Periods (§ 226.7); (6) Failure to Authorize and Permit Rest Periods (§ 226.7); (7) Failure to Provide Accurate Itemized Wage Statements (§ 226(a)); (8) Unlawful Deductions (§ 221); (9) Failure to Pay Timely Wages During Employment (§ 204); (10) Failure to Pay Timely Wages at Termination (§ 203); (11) Failure to Provide Sick Pay at the Correct Rate (§§ 245-246); (12) Failure to Reimburse Necessary Business Expenses (§ 2802); and (13) Violation of Business & Professions Code §17200, *et seq.* (the "Class Claims").

24. On May 23, 2024, amended her Complaint to include a cause of action for Civil Penalties pursuant to the Private Attorneys' General Act of 2004 ("PAGA").

25. Defendants deny and continue to deny all of Plaintiff's material allegations. Specifically, Defendants contend (1) they did not fail to pay the Aggrieved Employees the

1 minimum, straight time, and/or overtime wages; (2) they paid the Aggrieved Employees for all
2 hours worked; (3) they provided the Aggrieved Employees with all meal periods according to law
3 and/or paid meal period premiums; (4) they provided the Aggrieved Employees with all rest breaks
4 according to law and/or paid rest break premiums; (5) they did not make any unlawful deductions
5 from the Aggrieved Employees' wages; (6) they reimbursed Aggrieved Employees for all necessary
6 business expenses; (7) they provided Aggrieved Employees with suitable seating and suitable
7 resting facilities; (8) they properly calculated and paid out sick time (9) properly allocated and paid
8 Aggrieved Employees paid-time-off; (10) they did not fail to timely pay the Aggrieved Employees
9 wages due and owing during employment and/or upon separation; (11) they provided the Aggrieved
10 Employees with accurate itemized wage statements, consistent with Labor Code Section 226; (12)
11 they properly maintained all payroll records; (13) the PAGA Group is not entitled to penalties under
12 PAGA; and (14) Defendants are not liable for damages, including attorneys' fees and costs of
13 litigation to the Aggrieved Employees.

14 26. In connection with the Action, and in order to work toward a mediated resolution
15 without the time and expense of formal discovery, the Defendants produced voluminous documents
16 and data (including, by Defendants, human resources documents and policies, time records, and
17 payroll data during the PAGA Period) which were reviewed, investigated, and analyzed by PAGA
18 Counsel.

19 27. On December 6, 2024, the Parties in the Action participated in a full day of
20 mediation before an experienced employment, class, and PAGA representative action mediator,
21 Todd Smith, Esq. (the "Mediation") and the Parties reached a settlement at the Maximum
22 Settlement Amount.

23 28. The Settlement described in this Agreement represents a compromise and settlement
24 of highly disputed claims. Nothing in this Settlement is intended or will be construed as an
25 admission by Defendants that Plaintiff's claims in the Action have any merit or that they have any
26 liability to Plaintiff, the PAGA Group or the State on those claims, or as an admission by Plaintiff
27 that Defendants' defenses in Action have any merit. This Settlement is intended to fully, finally,
28 and forever compromise, release, resolve, discharge, and settle the released claims subject to the

1 terms and conditions set forth in this Settlement.

2 29. Based on its own thorough, independent investigation and evaluation of this case,
3 PAGA Counsel is of the opinion that the Settlement of this Action with Defendants for the
4 consideration and on the terms set forth in this Settlement is fair, reasonable, adequate, and in the
5 best interest of the Aggrieved Employees in light of all known facts and circumstances, including
6 the risk of significant costs and delay, the risk of non-representative approval of the Aggrieved
7 Employees, the defenses asserted by Defendants including the risks of adverse determinations on
8 the merits and numerous potential appellate issues. Although Defendants contend that they have no
9 liability in the Action, Defense Counsel shares PAGA Counsel's belief that the Settlement
10 represents a fair and adequate settlement given the respective risks associated with the case.

11 30. Based on the foregoing Recitals, the Parties agree as follows:

12 **III. PROCEDURE FOR APPROVING SETTLEMENT**

13 31. **Dismissal of Class Claims.** Within fourteen (14) days of the execution of this
14 Agreement, and prior to filing a Motion for Approval (as defined below), Plaintiff, through counsel,
15 will file a request for dismissal of Plaintiff's class claims without prejudice. The Parties agree that
16 the dismissal of Plaintiff's class claims is a prerequisite to any obligation of Defendants to pay any
17 funds into the Settlement Account.

18 32. **Motion for Approval of Settlement by the Superior Court.** Plaintiff will move
19 the Superior Court for an order granting Approval of the Settlement and approving the PAGA
20 Settlement Notice (attached as Exhibit "A" to this Agreement) ("Motion for Approval"). Any
21 unresolved disagreement among the Parties concerning the PAGA Settlement Notice or other
22 documents necessary to implement the Settlement will be referred first to Todd Smith, Esq., and if
23 no resolution is reached, then to the Superior Court.

24 33. At the hearing on the Motion for Approval, the Parties anticipate that they will
25 jointly appear, support the granting of the Motion for Approval, and obtain an order granting
26 Approval, including approval of the PAGA Settlement Notice.

27 34. Should the Superior Court require any amendments to this Agreement or the Motion
28 for Approval, the Parties agree to work jointly to resolve any issues in order to secure the Superior

1 Court's Approval.

2 35. Should the Superior Court decline to approve any material aspects of the Settlement,
3 the Settlement will be null and void and the Parties will have no further obligations under it. In
4 such event, the Parties shall be returned to their respective positions as of the date and time
5 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as
6 if this Agreement had not been executed.

7 36. Upon approval of the Settlement by the Superior Court, the Parties will present for
8 the Superior Court's approval and entry a Proposed Final Order and Judgment. The entry of the
9 Order and Judgment shall permanently bar the State, via any Aggrieved Employees, from
10 prosecuting against Defendants any claims for PAGA penalties through the PAGA Period, which
11 were or reasonably could have been alleged in this Action, as well as all claims as set forth in the
12 Release contained in Section V of this Agreement, whether known or unknown.

13 37. After entry of the Judgment, the Superior Court will have continuing jurisdiction
14 over the Action and the Settlement solely for purposes of (i) enforcing this Settlement, (ii)
15 addressing settlement administration matters, and (iii) addressing such post-Judgment matters as
16 may be appropriate under court rules or applicable law.

17 38. **PAGA Settlement Notice.** After the Superior Court enters its order granting
18 Approval, every Aggrieved Employee will be provided with the PAGA Settlement Notice (in
19 English and Spanish) which will include the PAGA Settlement Notice completed to reflect the order
20 granting Preliminary Approval of the Settlement and the Aggrieved Employee's information as
21 follows:

22 (a) Within fourteen (14) days after the Motion for Approval is granted,
23 Defendants will provide to the Settlement Administrator the "Aggrieved Employees' Data," which
24 shall consist of an electronic database containing (i) each Aggrieved Employee's first and last name,
25 (ii) last known mailing address, (iii) the Aggrieved Employee's Social Security number or Tax ID,
26 and (iv) Aggrieved Employees' total number of Individual Pay Periods. If any or all of the
27 Aggrieved Employees' Data are unavailable to Defendants, Defendants will so inform PAGA
28 Counsel prior to the date on which Defendants are required to submit the Aggrieved Employees'

1 Data to the Settlement Administrator and the Parties will make their best efforts to reconstruct or
2 otherwise agree upon the Aggrieved Employees' Data prior to when it must be submitted to the
3 Settlement Administrator. If the Parties are unable to agree, the dispute will be resolved by the
4 Settlement Administrator as provided in Paragraph 49. This information will otherwise remain
5 confidential and will not be disclosed to anyone, except as required to applicable taxing authorities,
6 as required to carry out the reasonable efforts to identify Aggrieved Employee information as
7 described in Paragraph 38(a), pursuant to Defendants' express written authorization, or by order of
8 the Superior Court.

9 (b) Within fourteen (14) days of its receipt of the Settlement Account Deposit
10 from Defendants, as described in Paragraph 39, or as soon thereafter as it is able to do so, the
11 Settlement Administrator will mail the PAGA Settlement Notice (and corresponding payment) to all
12 identified Aggrieved Employees via first-class U.S. Mail using the mailing address information
13 provided by Defendants, unless modified by any updated address information that the Settlement
14 Administrator obtains in the course of administration of the Settlement.

15 (c) If a PAGA Settlement Notice is returned by the U.S. Postal Service because
16 of an incorrect address, the Settlement Administrator will promptly, and not later than five (5) days
17 from receipt of the returned packet, search for a more current address for the Aggrieved Employee
18 and re-mail the PAGA Settlement Notice to the Aggrieved Employee. The Settlement
19 Administrator will use the Aggrieved Employees' Data and otherwise work with Defense Counsel
20 or utilize its own resources such as skip traces to find a more current address. The Settlement
21 Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job
22 parameters, court orders, and fee, to trace the mailing address of any Aggrieved Employee for
23 whom a PAGA Settlement Notice is returned by the U.S. Postal Service. These reasonable steps
24 shall include the tracking of all undelivered mail; performing address searches for all mail returned
25 without a forwarding address; and promptly re-mailing to Aggrieved Employees for whom new
26 addresses are found.

27 39. **Establishment of Settlement Account.** The Settlement Administrator shall
28 establish a Settlement Account within ten (10) days of the Effective Date and notify the Parties

1 when the Settlement Account has been established. The Settlement Administrator shall also
2 provide Defendants with an itemized statement for the total amount to be deposited into the
3 Settlement Account, which shall equal the Maximum Settlement Amount (“Settlement Account
4 Deposit”). Within ten (10) days after receiving notification of the Settlement Account and
5 statement for the Settlement Account Deposit, Defendants shall pay into the Settlement Account an
6 amount equal to the Settlement Account Deposit. Defendants shall have no obligation to pay any
7 additional funds into the Settlement Account.

8 **40. Payment of Aggrieved Employee Payment Shares.** The Settlement Administrator
9 shall pay to each Aggrieved Employee his/her/their Aggrieved Employee Payment Share from the
10 Settlement Account. The Settlement Administrator shall pay each Aggrieved Employee Payment
11 Share by sending a check in the appropriate amount to the Aggrieved Employee at the address
12 indicated in the Aggrieved Employee’s Data. Such payment shall be sent along with the PAGA
13 Settlement Notice by the Settlement Administrator via U.S. Mail within fourteen (14) days of its
14 receipt of the Settlement Account Deposit from Defendants.

15 **41. Uncashed Aggrieved Employee Payment Share Checks.** Any checks paid to
16 Aggrieved Employees shall be negotiable for one hundred and eighty (180) calendar days from the
17 date of their issuance. An Aggrieved Employee must cash his/her/their Aggrieved Employee
18 Payment Share check within one hundred and eighty (180) calendar days after it is mailed to
19 him/her/them. If a check remains uncashed after one hundred and eighty (180) calendar days from
20 the initial mailing, or if a check is returned to the Settlement Administrator as undeliverable during
21 the one hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to
22 identify the Aggrieved Employee’s correct address, including the performance of a “skip-trace.” If
23 an updated address can be identified, the Settlement Administrator shall issue another check to the
24 Aggrieved Employee and mail it to the Aggrieved Employee at his/her/their updated address. If an
25 updated address for the Aggrieved Employee cannot be identified, if a reissued check is once again
26 returned to the Settlement Administrator as undeliverable, or if the reissued check remains uncashed
27 after one hundred eighty (180) calendar days, the Settlement Administrator will keep an accounting
28 of such funds and shall give notice to the Parties of the total balance of uncashed Aggrieved

1 Employee Payment Shares. An Aggrieved Employee who fails to negotiate or receive his/her/their
2 Aggrieved Employee Payment Share check despite the procedures described above shall
3 nevertheless remain bound by the Settlement and the releases contained herein.

4 42. The funds represented by Aggrieved Employee Payment Share checks remaining
5 uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided
6 and then shall be transmitted to the Controller of the State of California to be held pursuant to the
7 Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those
8 Aggrieved Employees who did not cash their checks until such time they claim their property. The
9 Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure
10 Code § 384, as the entire Net Settlement Amount will be paid out to Aggrieved Employees, whether
11 or not they all cash their settlement checks.

12 43. **Payment of PAGA Counsel’s Fees Payment and PAGA Counsel’s Litigation**
13 **Expenses Payment.** The Settlement Administrator shall pay to PAGA Counsel the PAGA
14 Counsel’s Fees Payment and PAGA Counsel’s Litigation Expenses Payment from the Settlement
15 Account. The Settlement Administrator shall pay the PAGA Counsel’s Fees Payment and PAGA
16 Counsel’s Litigation Expenses Payment by sending a wire or check in the appropriate amount to
17 PAGA Counsel at the address provided for in Paragraph 71. Such payment shall be sent by the
18 Settlement Administrator within ten (10) calendar days of its receipt of the Settlement Account
19 Deposit from Defendants.

20 44. **Final Report by Settlement Administrator to Superior Court.** Within ten (10)
21 days after final disbursement of all funds from the Settlement Account, the Settlement
22 Administrator will serve on the Parties and file with the Superior Court a declaration providing a
23 final summary report on the disbursements of all funds from the Settlement Account. Within ten
24 (10) days after transmission of any remaining unclaimed funds to the Controller of the State of
25 California, the Settlement Administrator will serve on the Parties and file with the Superior Court a
26 declaration providing a final summary report on the transmission of any remaining unclaimed funds
27 to Controller of the State of California as outlined Paragraph 42.

28

1 **IV. SETTLEMENT TERMS AND CONDITIONS**

2 45. **Aggrieved Employee Payment Shares.** Subject to the terms and conditions of this
3 Settlement, the Settlement Administrator will calculate the Aggrieved Employee Payment Shares
4 for each Aggrieved Employee within ten (10) days after Defendants provide the Settlement
5 Administrator with the Aggrieved Employees' Data. The Aggrieved Employee Payment Share for
6 each Aggrieved Employee will be calculated as follows, understanding that the formulas below do
7 not constitute an admission by either Party, and are intended only to provide a practical means to
8 simplify and administer the claims process:

9 (a) **Number of Aggrieved Employees and Pay Periods.** Defendants shall
10 determine the total number of Aggrieved Employees and the aggregate number of Pay Periods for
11 those Aggrieved Employees as of the time of Approval. This information shall be provided to the
12 Settlement Administrator along with the Aggrieved Employees' Data as described in Paragraph
13 38(a) above.

14 (b) **Calculation of the Pay Period Value.** The Settlement Administrator shall
15 determine the value of a Pay Period ("Pay Period Value") by taking the Aggrieved Employee
16 Payment amount and dividing it by the sum of all Aggrieved Employees' Pay Periods.

17 (c) **Calculation of Aggrieved Employee Payment Shares.** The Settlement
18 Administrator shall assign to each Aggrieved Employee an Aggrieved Employee Payment Share
19 which shall be equal to the Pay Period Value multiplied by each Aggrieved Employee's Individual
20 Pay Periods. Upon calculation of the Aggrieved Employees' Aggrieved Employee Payment Shares,
21 the Settlement Administrator shall furnish to PAGA Counsel and Defense Counsel a worksheet
22 containing a list of employee identification numbers for the Aggrieved Employees with their
23 corresponding Individual Pay Periods and Aggrieved Employee Payment Shares.

24 46. **Taxes and Withholdings.** Each Aggrieved Employee Payment Share is intended to
25 settle the Aggrieved Employees' claims for civil penalties. Accordingly, one hundred percent
26 (100%) of each Aggrieved Employee Payment Share shall represent civil penalties. The Aggrieved
27 Employee Payment Share shall be paid to the Aggrieved Employee in full without deductions or
28 withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each Aggrieved

Employee for that amount, to the extent the Aggrieved Employee's Aggrieved Employee Payment Share is Six Hundred Dollars and Zero Cents (\$600.00) or more. Each Aggrieved Employee shall be individually responsible for their own share of applicable income tax withholdings and deductions for his/her/their Aggrieved Employee Payment Share.

47. **Total Payment Amount.** In no event will Defendants be required to pay more than the Maximum Settlement Amount (unless that amount is increased pursuant to Paragraph 10 above) for distribution to PAGA Counsel, Aggrieved Employees, the LWDA, the Settlement Administrator, or for any other costs or expenses not otherwise enumerated.

48. **Payments to PAGA Counsel and Others.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will make the following payments out of the Maximum Settlement Amount as follows:

(a) **To PAGA Counsel:** PAGA Counsel will apply to the Superior Court for the PAGA Counsel Fees Payment in an amount not to exceed one-third of the Maximum Settlement Amount (currently estimated to be Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00)). PAGA Counsel will also submit to the Superior Court a memorandum of costs for the PAGA Counsel Litigation Expenses Payment in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) as reimbursement for reasonable costs of suit to be paid from the Maximum Settlement Amount. Defendants will not oppose these requests. The Settlement Administrator will pay the amounts approved by the Superior Court out of the Maximum Settlement Amount. Withholding and deductions will not be taken from the PAGA Counsel Fees Payment or PAGA Counsel Litigation Expenses Payment and one or more IRS Forms 1099 will be issued to PAGA Counsel with respect to those payments.

(b) **To the LWDA:** As part of their Motion for Approval, the Parties will jointly apply to the Superior Court for approval of the LWDA Payment in an amount currently estimated to be Twenty Thousand, Four Hundred and Thirty Seven Dollars and Fifty Cents (\$20,437.50), which shall constitute the LWDA's seventy-five percent (75%) share of the Net Settlement Amount.

(c) **To the Aggrieved Employees:** As part of their Motion for Approval, the Parties will jointly apply to the Superior Court for approval of the Aggrieved Employee Payment in

1 an amount currently estimated to be Six Thousand, Eight Hundred and Twelve Dollars and Fifty
2 Cents (\$6,812.50), which shall constitute the PAGA Group's twenty-five percent (25%) share of the
3 Net Settlement Amount.

4 (d) **To the Settlement Administrator:** The Settlement Administrator will be
5 paid from the Maximum Settlement Amount its reasonable fees and expenses as approved by the
6 Superior Court, which are estimated not to exceed Two Thousand Seven Hundred Fifty Dollars and
7 Zero Cents (\$2,750.00).

8 49. **Appointment of Settlement Administrator.** The Parties will ask the Superior
9 Court to appoint Phoenix Class Action Administrators, a qualified and experienced administrator
10 based in California where the Action is venued, to serve as the Settlement Administrator, which, as
11 a condition of appointment, will agree to be bound by this Agreement with respect to the
12 performance of its duties and its compensation. The Settlement Administrator's duties will include
13 (i) calculating Aggrieved Employee Payment Shares; (ii) preparing, printing, and mailing the
14 PAGA Settlement Notice to all Aggrieved Employees; (iii) using reasonable measures to contact all
15 Aggrieved Employees, including conducting a National Change of Address search on all Aggrieved
16 Employees before mailing the PAGA Settlement Notice to each Aggrieved Employee's address;
17 (iv) re-mailing the PAGA Settlement Notice to the Aggrieved Employee's new address for those
18 Aggrieved Employees whose address had changed; (v) setting up a toll-free telephone number to
19 receive calls from Aggrieved Employees; (vi) issuing the checks to effectuate the payments due
20 under the Settlement; (vii) using reasonable measures to deliver issued checks to Aggrieved
21 Employees, including use of a "skip-trace" for undeliverable checks; and (viii) otherwise
22 administering the Settlement pursuant to this Agreement. The Settlement Administrator will have
23 the final authority to resolve all disputes concerning the calculation of an Aggrieved Employee's
24 Aggrieved Employee Payment Share, subject to the terms set forth in this Agreement. The
25 Settlement Administrator's reasonable fees and expenses are estimated not to exceed Two
26 Thousand Seven Thousand Five Hundred Dollars and Zero Cents (\$2,750.00) and will be paid out
27 of the Maximum Settlement Amount, as set forth herein, subject to Court approval.

28

1 **V. RELEASE OF CLAIMS**

2 50. **PAGA Released Claims.** As of the Effective Date, the LWDA, through Plaintiff as
 3 its proxy, and all Aggrieved Employees shall release the Released Parties for claims for civil
 4 penalties pursuant to PAGA based upon all causes of action and claims that were alleged in the
 5 Action or reasonably could have been alleged based on the facts and legal theories contained in the
 6 Action and the LWDA Exhaustion Letter within the PAGA Period, including all of the following
 7 claims for relief: (i) failure to pay all regular wages, minimum wages and overtime wages due (Cal.
 8 Lab. Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, & 1199); (ii) failure to provide
 9 compliant meal periods (Cal. Lab. Code §§ 226.7 & 512); (iii) failure to provide compliant rest
 10 breaks (Cal. Lab. Code § 226.7); (iv) failure to timely pay wages during employment (Cal. Lab.
 11 Code §§ 204 & 210); (v) failure to provide complete, accurate wage statements (Cal. Lab. Code §
 12 226); (vi) failure to pay wages timely at time of termination or resignation (Cal. Lab. Code §§ 201-
 13 203); (vii) failure to maintain accurate records (Cal. Lab. Code §§ 1174(d) & 1174.5); (viii) failure
 14 to reimburse or indemnify business expenses (Cal. Lab. Code § 2802); (ix) improper deductions
 15 (Cal. Lab. Code §§ 221-223); (x) failure to provide suitable seating and resting facilities; (xi) failure
 16 to properly pay sick pay (Cal. Lab. Code §§ 245-248.5; (xii) failure to pay accrued vacation wages;
 17 (xiii) all claims under the California Labor Code Private Attorneys General Act of 2004 that were
 18 pleaded in the Action; (xiv) any claim for costs and attorneys' fees and expenses; (collectively, the
 19 "PAGA Released Claims").

20 51. Released Parties includes Defendants and their past, present and/or future, direct
 21 and/or indirect, officers, directors, members, managers, employees, agents, representatives,
 22 attorneys, including but not limited to O'Hagan Meyer, insurers, partners, investors, shareholders,
 23 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,
 24 assigns, and joint venturers.

25 52. The PAGA Released Claims described in Paragraph 50 expressly exclude all claims
 26 made by Aggrieved Employees for vested benefits, wrongful termination, unemployment insurance,
 27 disability, social security, workers' compensation, claims while classified as exempt, and claims
 28 outside of the PAGA Period.

1 **53. PAGA Counsel.** As of the Effective Date, and except as otherwise provided by this
2 Settlement, PAGA Counsel and any counsel associated with PAGA Counsel waive any further
3 claims to costs and attorneys' fees and expenses against Defendants or the Released Parties arising
4 from or related to the Action, including but not limited to claims based on the Labor Code, the Code
5 of Civil Procedure, PAGA, the Fair Labor and Standards Act, the Business and Professions Code, or
6 any other contract, statute or law ("PAGA Counsel Released Claims").

7 **54. No Effect on Other Benefits.** The payment of Aggrieved Employee Payment
8 Shares will not result in any additional employee benefit payments (such as 401(k), vacation, or
9 bonus) and shall not have any effect on the eligibility for, or calculation of, any employee benefit.

10 **VI. DUTIES OF THE PARTIES**

11 **55. Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to
12 accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be
13 limited to, execution of such other documents and the taking of such other action as may reasonably
14 be necessary to fulfill the terms of this Settlement unless the Court denies approval of the
15 Settlement with prejudice. The Parties shall use their best efforts, including all efforts contemplated
16 by this Agreement and any other efforts that may become necessary by court order or otherwise, to
17 effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of
18 this Agreement, PAGA Counsel, with the cooperation of Defendants and Defense Counsel, shall
19 take all necessary and reasonable steps to secure the Court's approval of this Settlement. The Parties
20 will work together to make any non-material modifications of the Settlement requested by the Court
21 to obtain approval of the Parties' Settlement.

22 **56. Duty to Support and Defend the Settlement.** The Parties agree to abide by all of
23 the terms of the Settlement in good faith and to support the Settlement fully and to use their best
24 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

25 **57. Duties Prior to Court Approval.** PAGA Counsel shall promptly submit this
26 Agreement to the Court for approval and determination by the Court as to its fairness, adequacy,
27 and reasonableness. Promptly upon execution of this Agreement, PAGA Counsel shall apply to the
28 Court for the entry of an order, scheduling a hearing on the question of whether the proposed PAGA

1 Settlement should be approved as fair, reasonable, and adequate as to the Aggrieved Employees,
2 approving as to form and content the proposed PAGA Settlement Notice attached hereto as Exhibit
3 “A”, respectively, and directing the mailing of the PAGA Settlement Notice to the Aggrieved
4 Employees.

5 58. **Non-Monetary Relief and Catalyzation of Policy Change.** Although Defendants
6 deny any liability of any kind associated with the claims alleged in the Lawsuit and deny any
7 liability or intentional wrongdoing, Defendants revised and updated their wage and hour policies
8 and practices after the initiation of the Action.

9 **VII. MISCELLANEOUS TERMS**

10 59. **No Admission of Liability.** Defendants deny that it has engaged in any unlawful
11 activity, has failed to comply with the law in any respect, or has any liability to anyone under the
12 claims asserted in the Action. This Settlement is entered into solely for the purpose of
13 compromising highly disputed claims. Nothing in this Settlement is intended or will be construed
14 as an admission of liability or wrongdoing by Defendants, an admission by Plaintiff that any of her
15 claims were non-meritorious, or any defense asserted by Defendants was meritorious. This
16 Settlement and the fact that Plaintiff and Defendants were willing to settle the Action will have no
17 bearing on, and will not be admissible in connection with, any litigation (other than solely in
18 connection with the Settlement).

19 60. Whether or not the Judgment becomes Final, neither the Settlement, any document,
20 statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those
21 matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be
22 evidence for any purpose adverse to Defendants or any of the Released Parties, including, but not
23 limited to, evidence of a presumption, concession, indication or admission by any of the Released
24 Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed,
25 referred to or offered in evidence against any of the Released Parties, or any other civil, criminal or
26 administrative action or proceeding except for purposes of effectuating this Settlement.

27 61. Notwithstanding Paragraph 60 of this Settlement, any and all provisions of this
28 Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce

1 any or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

2 **62. Confidentiality.** The Parties and their counsel agree to keep the Settlement
3 confidential through the filing of the Motion for Approval of the Settlement. Thereafter, the Parties
4 agree to make no comments about the Settlement to the media or otherwise publicize the terms of
5 the Settlement. This Paragraph does not restrict (1) PAGA Counsel's communications with Plaintiff
6 and Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to
7 Plaintiff and Aggrieved Employees; (2) PAGA Counsel's ability to identify the Settlement and/or
8 this action to demonstrate their adequacy as class or representative action counsel in other actions;
9 or (3) the Parties' ability to disclose the Settlement to the appropriate taxing authorities and in
10 response to court orders and subpoenas.

11 **63. Integrated Agreement.** After this Settlement is signed and delivered by all Parties
12 and their counsel, this Settlement and its exhibits will constitute the entire agreement between the
13 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,
14 covenants, or inducements have been made to any Party concerning this Settlement or its exhibits
15 other than the representations, warranties, covenants, and inducements expressly stated in this
16 Settlement and its exhibits.

17 **64. Attorney Authorization.** PAGA Counsel and Defense Counsel warrant and
18 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate
19 action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its
20 terms, and to execute any other documents required to effectuate the terms of this Settlement. The
21 Parties and their counsel will cooperate with each other and use their best efforts to affect the
22 implementation of the Settlement. In the event the Parties are unable to reach agreement on the
23 form or content of any document needed to implement the Settlement, or on any supplemental
24 provisions that may become necessary to effectuate the terms of this Settlement, the Parties will
25 seek the assistance of mediator Todd Smith, Esq., and if no resolution is reached the Superior Court,
26 and in all cases all such documents, supplemental provisions and assistance of the court will be
27 consistent with this Settlement.

28 **65. Modification of Agreement.** This Agreement, and any and all parts of it, may be

amended, modified, changed, or waived only by an express written instrument signed by all Parties, their successors-in-interest, and/or the Parties' respective counsel, as authorized.

66. **Settlement Binding on Successors.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

67. **Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

68. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

69. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, current and potential.

70. **Headings.** The descriptive heading of any section or Paragraph of this Settlement is inserted for convenience of reference only and does not constitute a part of this Settlement.

71. **Notice.** All notices, demands or other communications given under this Settlement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. Mail, addressed as follows:

To PAGA Counsel:

D.LAW, INC.
Emil Davtyan
David Yeremian
Alvin B. Lindsay
Jean Hopkins Power
Enoch Kim
Melissa Rodriguez
450 N. Brand Blvd. Suite 640
Glendale, CA 91203

To Defendants' Counsel:

Andrea Rosenkranz, Esq.
O'HAGAN MEYER
4695 MacArthur Court, Suite 900
Newport Beach, CA 92660

72. **Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

DATED: 5/20/2025

DARLENE M. STROUD

Signed by:

 3501BA360FD6489...

DATED: _____

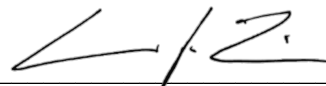
**JM SANTA MARIA LP
 JM ARROYO GRANDE LP**

APPROVED AS TO FORM:

DATED: 5/20/25

D.LAW, INC.

By:


 Emil Davtyan
 David Yeremian
 Alvin B. Lindsay
 Jean Hopkins Power
 Enoch Kim
 Melissa Rodriguez

Attorneys for Plaintiff,
DARLENE M. STROUD

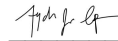
72. **Execution in Counterpart.** This Settlement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the original, which shall be produced on reasonable request. Any executed counterpart will be admissible to prove the existence and contents of this Settlement.

DATED: _____

DARLENE M. STROUD

DATED: May 19, 2025

**JM SANTA MARIA LP
JM ARROYO GRANDE LP**



APPROVED AS TO FORM:

DATED: _____

D.LAW, INC.

By: _____

Emil Davtyan
David Yeremian
Alvin B. Lindsay
Jean Hopkins Power
Enoch Kim
Melissa Rodriguez

Attorneys for Plaintiff,
DARLENE M. STROUD

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DATED: May 19, 2025 _____

O'HAGAN MEYER

By: Andrea Rosenkranz
Andrea Rosenkranz (May 19, 2025 09:45 PDT)
Andrea Rosenkranz, Esq.

Attorneys for Defendants,
JM SANTA MARIA LP and JM ARROYO
GRANDE LP

Andrea Rosenkranz, Esq. (State Bar No. 301559)
arosenkranz@ohaganmeyer.com

O'HAGAN MEYER
4695 MacArthur Court, Suite 900
Newport Beach, CA 92660
Telephone: (949) 942-8507
Facsimile: (949) 942-8510

Attorneys for Defendants, JM SANTA MARIA LP and JM ARROYO GRANDE LP

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Enoch Kim (SBN 261146)

e.kim@d.law

Melissa Rodriguez (SBN 352716)

m.rodriguez@d.law

450 N. Brand Blvd. Suite 640

Glendale, CA 91203

Tel.: (818) 962-6465

Fax: (818) 962-6469

Attorneys for Plaintiff, DARLENE M. STROUD

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

DARLENE M. STROUD, on behalf of herself
and others similarly situated,

Plaintiff,

vs.

JM WEST, INC., d/b/a Jersey Mike's Subs, a
California Corporation; JM WEST II, INC., d/b/a
Jersey Mike's Subs, a California Corporation; JM
SANTA MARIA LP, d/b/a Jersey Mike's Subs, a
California limited partnership; JM ARROYO
GRANDE LP, d/b/a Jersey Mike's Subs, a
California limited partnership; and DOES 1
through 50, inclusive,

Defendants

Case No.: 24STCV06910

REPRESENTATIVE PAGA ACTION

**AMENDMENT TO JOINT
STIPULATION OF
REPRESENTATIVE PAGA ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

*[Assigned for All Purposes to the Hon.
Laura Siegle; Dept. 17]*

Complaint Filed: March 19, 2024

Trial Date: Not Yet Set

1 This shall serve as an amendment to the Joint Stipulation of Representative PAGA Action
2 Settlement and Release of Claims (“Settlement Agreement”) (the “Amendment”) entered into in May
3 2025 between Plaintiff Darlene M. Stroud (“Plaintiff”), individually, a representative of the State of
4 California and Aggrieved Employees, as defined in the Settlement Agreement, and Defendants JM
5 SANTA MARIA LP and JM ARROYO GRANDE LP (“Defendants”) (Plaintiff and Defendants are
6 collectively referred to as “the Parties”). All other settlement terms remain the same.

7 Paragraph 65 of the Settlement Agreement allows for amendments and modifications of the
8 Settlement Agreement by an express written instrument. The following provisions of the Settlement
9 Agreement are hereby amended and superseded as follows:

10 50. PAGA Released Claims. As of the date Defendants fully fund the Maximum
11 Settlement Amount, the LWDA, through Plaintiff as its proxy, and all Aggrieved Employees shall
12 release the Released Parties for claims for civil penalties pursuant to PAGA based upon all causes of
13 action and claims that were alleged in the Action or reasonably could have been alleged based on the
14 facts and legal theories contained in the Action and the LWDA Exhaustion Letter within the PAGA
15 Period, including all of the following claims for relief: (i) failure to pay all regular wages, minimum
16 wages and overtime wages due (Cal. Lab. Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, &
17 1199); (ii) failure to provide compliant meal periods (Cal. Lab. Code §§ 226.7 & 512); (iii) failure to
18 provide compliant rest breaks (Cal. Lab. Code § 226.7); (iv) failure to timely pay wages during
19 employment (Cal. Lab. Code §§ 204 & 210); (v) failure to provide complete, accurate wage
20 statements (Cal. Lab. Code § 226); (vi) failure to pay wages timely at time of termination or
21 resignation (Cal. Lab. Code §§ 201- 203); (vii) failure to maintain accurate records (Cal. Lab. Code
22 §§ 1174(d) & 1174.5); (viii) failure to reimburse or indemnify business expenses (Cal. Lab. Code §
23 2802); (ix) improper deductions (Cal. Lab. Code §§ 221-223); (x) failure to provide suitable seating
24 and resting facilities; (xi) failure to properly pay sick pay (Cal. Lab. Code §§ 245-248.5; (xii) failure
25 to pay accrued vacation wages; (xiii) all claims under the California Labor Code Private Attorneys
26 General Act of 2004 that were pleaded in the Action; (xiv) any claim for costs and attorneys’ fees and
27 expenses; (collectively, the “PAGA Released Claims”).

28 53. PAGA Counsel. As of the date Defendants fully fund the Maximum Settlement

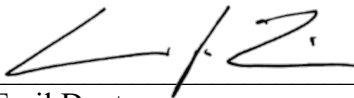
1 Amount, and except as otherwise provided by this Settlement, PAGA Counsel and any counsel
2 associated with PAGA Counsel waive any further claims to costs and attorneys' fees and expenses
3 against Defendants or the Released Parties arising from or related to the Action, including but not
4 limited to claims based on the Labor Code, the Code of Civil Procedure, PAGA, the Fair Labor and
5 Standards Act, the Business and Professions Code, or any other contract, statute or law ("PAGA
6 Counsel Released Claims").

7 This Amendment may be executed in one or more counterparts. All executed counterparts
8 and each of them will be deemed to be one and the same instrument provided that counsel for the
9 Parties will exchange between themselves original signed counterparts. Facsimile signatures,
10 scanned PDF signatures, and electronic signatures will be presumptive evidence of execution of the
11 original, which shall be produced on reasonable request. Any executed counterpart will be admissible
12 to prove the existence and contents of this Amendment.

13
14
15 DATED: 6/6/2025

D.LAW, INC.

16
17 By:



18 Emil Davtyan
19 David Yeremian
20 Alvin B. Lindsay
21 Jean Hopkins Power
22 Enoch Kim
23 Melissa Rodriguez

24
25 Attorneys for Plaintiff,
26 DARLENE M. STROUD
27
28

1 DATED: 6/6/25

O'HAGAN MEYER

2
3 By:


Andrea Rosenkranz, Esq.

4
5 Attorneys for Defendants,
6 JM SANTA MARIA LP and JM
7 ARROYO GRANDE LP
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EXHIBIT 2

March 19, 2024

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128>

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

VIA CERTIFIED MAIL TO:

(by certified mail to JM West Inc., Inc., JM West II, Inc., JM Santa Maria LP, JM Arroyo Grande LP, Timothy R. Binder, and Jair Neciosup-Paz)

JM West, Inc., d/b/a Jersey Mike's Subs
1094 E. Meta St.
Ventura, CA 93001
Certified Mail Tracking Number: 9414 8112 0620 4398 6103 15

Timothy R. Binder,
Agent of Service of Process for JM West, Inc.
12730 High Bluff Dr. Suite 290
San Diego, CA 93001
Certified Mail Tracking Number: 9414 8112 0620 6183 66

JM West II, Inc., d/b/a Jersey Mike's Subs
1094 E. Meta St.
Ventura, CA 93001
Certified Mail Tracking Number: 9414 8112 0620 4398 6478 09

Timothy R. Binder,
Agent of Service of Process for JM West II, Inc.
12526 High Bluff Dr. Suite 300
San Diego, CA 93001
Certified Mail Tracking Number: 9414 8112 0620 4398 6117 18

JM Santa Maria LP, d/b/a Jersey Mike's Subs
19367 Winged Foot Circle
Porter Ranch, CA 91326
Certified Mail Tracking Number: 9414 8112 0620 4398 6494 14

Jair Neciosup-Paz
Agent of Service of Process for JM Santa Maria LP
19367 Winged Foot Circle
Porter Ranch, CA 91326
Certified Mail Tracking Number: 9414 8112 0620 4398 6434 05

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JM Arroyo Grande LP, d/b/a Jersey Mike's Subs
19367 Winged Foot Circle
Porter Ranch, CA 91326
Certified Mail Tracking Number: 9414 8112 0620 4398 6453 48

Jair Neciosup-Paz
Agent of Service of Process for JM Arroyo Grande LP
19367 Winged Foot Circle
Porter Ranch, CA 91326
Certified Mail Tracking Number: 9414 8112 0620 4398 6429 34

**Re: Labor Code § 2698, et seq. Private Attorneys' General Act Claim
PAGA Notice Letter to LWDA
Darlene M. Stroud v. JM West Inc., Inc. et al.
Superior Court for the County of Los Angeles**

Dear Gentilepersons:

This office represents Plaintiff Darlene M. Stroud ("Plaintiff") and other similarly aggrieved employees employed as non-exempt, hourly restaurant workers and other workers and in related positions at Defendants' locations in California during the relevant period (collectively "Aggrieved Employees") for, *inter alia*, violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.7, 227.3, 246, 248.1, 248.2, 248.5, 351, 354, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802, 2810.5, 2698, and 2699, *et seq.*; 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"). 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 JM WEST, INC., d/b/a Jersey Mike's Subs, a California Corporation; JM WEST II, INC., d/b/a Jersey Mike's Subs, a California Corporation; JM SANTA MARIA LP, d/b/a Jersey Mike's Subs, a California limited partnership; JM ARROYO GRANDE LP, d/b/a Jersey Mike's Subs, a California limited partnership; 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 with Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being filed concurrently in Los Angeles 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 attached Class Action Complaint provides the details of Plaintiff's class-wide



claims and representative 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 as a general manager and shift lead by Defendants at two of the several restaurants under the control of Defendants and worked side by side with other Aggrieved Employees employed as associates (sandwich makers), counter staff and those in other similar and related positions at two of many of the Defendants' facilities and locations in California. She and the other Aggrieved Employees were employed by Defendants as non-exempt, hourly employees at Defendants' locations and facilities in California, including in positions related to providing restaurant working support to Defendants' customers. Plaintiff worked at Defendants' behest without being paid all wages due and without being provided all required breaks. More specifically, Plaintiff and the other similarly situated Aggrieved Employees were employed by Defendants and shared similar job duties and responsibilities, were subjected to the same policies and practices, and endured similar violations at the hands of Defendants as the other Employees who served in similar and related positions.

Defendants required Plaintiff and the Aggrieved Employees to work off the clock and failed to record accurate time worked by these Employees, failed to pay them at the appropriate rates for all hours worked, failed to pay all wages due and owing at termination or resignation, and provided Plaintiff and the Aggrieved Employees with inaccurate wage statements that prevented them from learning of these unlawful pay practices. Defendants also failed to provide Plaintiff and the Aggrieved Employees with lawful meal and rest periods, as Employees were required to remain under Defendants' control and were not provided with the opportunity to take full uninterrupted, timely, and duty-free rest periods and meal breaks, as required by the Labor Code and the applicable paragraphs of the IWC Wage Orders.

Defendant JM WEST INC., INC., d/b/a Jersey Mike's Subs, is a California corporation with its principal executive offices located on Meta Street in Ventura, Ventura County, California. Upon information and belief, JM WEST INC., INC. is listed as the employer on the wage statements issued to Plaintiff by Defendants during the relevant period with the same King of Prussia, Pennsylvania address. Upon information and belief, such wage statements were issued to other Aggrieved Employees with the same Ventura, California address.

Defendant JM WEST II, INC., d/b/a Jersey Mike's Subs, is a California Corporation with its principal executive offices located on Meta Street in Ventura, Ventura County, California. Upon information and belief, the same Ventura, California is the address listed on Plaintiff's wage statements and, on information and belief, wage statements issued to Aggrieved Employees during the relevant period. JM West II, Inc. owns Jersey Mike Subs restaurant locations in Thousand Oaks and Westlake Village, Los Angeles County, California.



Defendant JM SANTA MARIA LP, d/b/a Jersey Mike's Subs, is a California limited partnership, with its principal executive offices located on Winged Foot Circle in Porter Ranch, Los Angeles County, California. Upon information and belief, Defendant JM SANTA MARIA LP is listed as Plaintiff's employer on various personnel documents.

Defendant JM ARROYO GRANDE LP, d/b/a Jersey Mike's Subs is a California limited partnership with its principal executive offices located on Winged Foot Circle in Porter Ranch, Los Angeles County, California. JM ARROYO GRANDE LP is listed as Plaintiff's employer on various personnel documents.

Plaintiff and the Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates, including for meal period and rest break premium payments. Plaintiff also contends that Defendants failed to pay Plaintiff and the Aggrieved Employees all wages due and owing, including by miscalculating wages owed and by requiring off the clock work, failing to provide meal and rest breaks, unlawful tip pooling, and failing to furnish accurate wage statements and timely pay all wages owed, all in violation of various provisions of the California Labor Code and applicable IWC Wage Orders.

During the course of Plaintiff and the Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed (resulting in "off the clock" work) and for all their overtime hours worked, or were not paid at the correct rates. This has resulted in systematic and ongoing violations of the California Labor Code and relevant IWC Wage Orders. Upon information and belief, Defendants employ other non-exempt, hourly employees as general managers, shift leaders, associates (sandwich makers), and counter workers and similar services relating to providing restaurant services to Defendant's customers based out of Defendants' facilities in California.

For much of her employment, Plaintiff was employed by Defendants as a General Manager and Shift Leader at two of the Defendants California locations. Plaintiff generally worked over forty hours per week, five days per week, which resulted in shifts of approximately eight hours in duration. Plaintiff's shifts were generally scheduled from 8:00 a.m. to 5:00 p.m..

Defendants' operations and uniformly applied policies and practices require Employees to endure significant off-the-clock work. Defendants' facilities included timekeeping systems incorporating electronic recording of time punches by Employees logging on to the Defendants' computers to record their time entries. This timekeeping system was capable of recording contemporaneous time entries and doing so to the minute. Plaintiff did not have time to clock in and would submit her hours worked to her supervisor via text message.

Defendants' unlawful failure to maintain accurate timekeeping and payroll records has resulted in large part from the off the clock work Defendants required their Employees to endure. Under Defendants' uniformly applied policy during the relevant time period, Plaintiff and Aggrieved Employees were not permitted to take uninterrupted meal and rest period breaks. Plaintiff and



Aggrieved Employees were again not paid for this time.

Plaintiff and the Aggrieved Employees were also required to be available and in the parking lot area during all rest periods and they were frequently interrupted and unable to take uninterrupted meal and rest breaks. Due to the heavy volume of work, Plaintiff was habitually compelled to remain under Defendants' control and/or work through parts of her meal periods in order to complete her work. Defendants were well aware that their facilities were understaffed and as a result, Employees were required to work additional hours that were often uncompensated or otherwise underpaid. Defendants required that all overtime hours must be pre-approved by Defendants' managers. Thus, if Plaintiff failed to complete all her work during her scheduled hours, she would be forced to incur overtime hours which Defendants' management frowned upon and rarely authorized. Thus, Plaintiff was forced to work through parts of her meal periods to complete all her work and to avoid incurring an amount of overtime that Defendants would not accept and pay. These additional hours worked generally went uncompensated despite the fact Plaintiff was under Defendants' control or was otherwise required to continue performing job duties or to remain standing by to perform them. Plaintiff and other Employees' rest breaks were also routinely interrupted or not provided at all due to pressing work demands. Due to understaffing and the heavy volume of work, Employees were generally authorized and permitted to take only a single rest break, if they were able and authorized to take one at all. Additionally, Plaintiff and the Aggrieved Employees were also required to work or otherwise remain under Defendants' control after their shift end times, including on-site and through after-hours work-related communications and other work requirements Defendants required them to perform off the clock.

Defendants followed a similar unlawful practice, upon information and belief, in connection with other Employees in a concerted effort to limit and restrict regular and overtime hours earned by and owing to Plaintiff and the other Aggrieved Employees. Time worked off the clock also caused Plaintiff and other Aggrieved Employees to work beyond eight hours in a shift. As a result of the above-described off the clock work and rounding and time shaving, Defendants failed to pay Plaintiff and Aggrieved Employees overtime for several minutes at the end of work shifts which Defendants did not record in any timekeeping or payroll records. Defendants thus both failed to pay overtime hours and failed to compensate them at the correct premium rates.

Plaintiff was therefore not paid for all her hours worked at the required minimum, overtime, and double time wage rates due to Defendants' policy and practice of requiring her to work off the clock and without pay. With work shifts generally scheduled for eight hours or more, this unpaid off the clock work resulted in Plaintiff and the Aggrieved Employees working past eight hours on a shift, which required that they be paid at the correct overtime rate of 1.5 times their regular rate. Defendants thus systematically underpaid Plaintiff and the Aggrieved Employees by failing to pay them at the required overtime rates for all hours over eight in a work shift or over forty in a work week, and all hours over twelve in a day at the required double time rate. Upon information and belief, the Aggrieved Employees were bound by similar scheduling and work policies which Defendants required them to follow and endured similar violations at



Defendants' hands as Plaintiff.

As a result of the above-described unlawful requirements to work off the clock, the failure to accurately record all hours worked and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week. As a result of Defendants' unlawful policies and practices, Plaintiff and Aggrieved Employees incurred overtime hours worked for which they were not adequately and completely compensated, in addition to the hours they were required to work off the clock at their regular rates.

The failure to pay for all hours worked and underpayment of wages to Plaintiff and the Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which upon information and belief applied uniformly to the Aggrieved Employees working at Defendants' locations and facilities. As a result of the above-described unlawful requirements to work off the clock, the failure to accurately record all hours worked and pay wages at the correct rates, the failure to compensate employees for time under Defendants' control and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week.

Therefore, during the relevant time period, Defendants had a consistent policy or practice of failing to pay Employees for all hours worked and failing to pay minimum wages for all time worked, as required by California law. Defendants had a consistent policy or practice of failing to pay Employees overtime compensation at premium overtime rates for all hours worked in excess of eight hours a day and/or forty hours a week and double-time rates for all hours worked in excess of twelve hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders. To the extent Defendants paid Plaintiff and the Aggrieved Employees bonuses and shift differentials and other forms of remuneration above and beyond their hourly pay, upon information and belief Defendants miscalculated and therefore underpaid any overtime they paid during these pay periods by failing to include all forms of remuneration in the regular rate used to calculate and pay overtime.

Defendants also failed to provide Plaintiff and the Aggrieved Employees with their required meal periods and the at least two ten-minute rest breaks required for scheduled shifts of eight hours. Demanding workloads contributed to Defendants' common policy of failing to provide lawful meal periods to Plaintiff and the Aggrieved Employees, as required under the Labor Code and Paragraph 11 of the IWC Wage Order(s). Defendants similarly systematically failed to authorize and permit Plaintiff and the employee Aggrieved Employees to take all required 10-minute rest breaks, as required under the Labor Code and Paragraph 12 of the IWC Wage Order(s).



More specifically, Plaintiff worked shifts that entitled her to at least one meal period, but Defendants' managers required Plaintiff and the Aggrieved Employees to prioritize work over taking lawful meal periods. To whatever extent there was ever a schedule for meal periods, it went by the wayside quickly as there always seemed to be a customer that needed assistance. Constant short-staffing led to systematically late meal periods, and on-duty meal periods that were incessantly interrupted by customer and management demands and required job duties and tasks. Defendants also required Plaintiff and the Aggrieved Employees to remain available during their breaks regarding work matters and job duties. The heavy workload and management expectations also contributed to Employees working through meal periods or not taking them or taking them late so work could be accomplished or they were otherwise required to remain under Defendants' control during meal periods.

Therefore, meal period violations systematically occurred throughout all of Plaintiff's work shifts where Defendants failed to provide a lawful meal period and also failed to provide a meal premium payment. To the extent Defendants ever did pay Plaintiff a meal period premium, they failed to include all forms of remuneration beyond hourly wages in the regular hourly rate used to pay the one-hour premium payment. Upon information and belief, the other Aggrieved Employees were subjected to similar unlawful policies and practices and endured similar violations as Plaintiff.

Defendants thus failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Plaintiff and the other Aggrieved Employees, as required by the applicable Wage Order and Labor Code. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants or otherwise remain under Defendants' control for more than five hours during a shift, or ten hours in a shift, but were often required to do so without receiving a lawful, timely, and duty-free 30-minute meal breaks. Additionally, as addressed above, Defendants followed a practice of requiring off the clock work, in a manner that would impact when Employees were to receive meal periods and rest breaks, thus leading to further violations.

As a result, Defendants' failure to provide Plaintiff and the Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Defendants also failed to pay Employees "premium pay," i.e. one hour of wages at each Employee's effective hourly rate of pay, for each meal period or rest break that Defendants failed to provide or deficiently provided. Upon information and belief, if and when Defendants did pay any meal period premiums, they failed to include all forms of remuneration in the regular rate used to calculate and pay it. To the extent Plaintiff and the Aggrieved Employees worked shifts of over ten hours, upon information and belief Defendants failed to provide them with a second required meal period.

Therefore, Plaintiff and the Aggrieved Employees were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required meal breaks due to Defendants' policies and practices. On the occasions when Plaintiff and the Aggrieved Employees were



provided with a meal period, it was often untimely or interrupted, or was impermissibly shortened, and Employees were not provided with one hour's wages in lieu thereof.

Defendants also failed to authorize and permit Plaintiff and the Aggrieved Employees to take duty-free, net ten minute rest breaks for every four hours of shift work, or major fraction thereof. There were similar issues with the required net ten-minute rest breaks that Plaintiff and the Aggrieved Employees were unable to take as with meal periods. Defendants made no efforts or provided no emphasis on authorizing and permitting Employees to take net ten-minute rest breaks for every four hours of work.

Given the constant and ongoing job demands she faced and Defendants' failure to adequately staff its facilities to permit employees to take breaks, Plaintiff was compelled to remain on the premises performing job-related duties while also remaining under Defendants' control during times when she was supposed to be enjoying a duty-free rest break. By uniformly requiring Plaintiff and the other similarly situated co-workers to remain under Defendants' control and on premises during rest breaks, Defendants committed systematic and ongoing rest break violations. To the extent Defendants paid any rest break premium payments under Labor Code § 226.7 to Plaintiff or Aggrieved Employees these payments failed to include all forms of remuneration, including shift differentials and bonuses and premium payments to Plaintiff, in the regular hourly rate at which they paid the rest break premiums.

Defendants' management did not emphasize the requirement to provide at least one ten-minute duty-free rest period for each four-hour duty period, or major fraction thereof. If and when Plaintiff was permitted to take a ten-minute rest break on a shift, she was not permitted to take a second one or a third one or any breaks were untimely or impermissibly shortened. Further violations occurred as Plaintiff and the Aggrieved Employees were required to remain under Defendants' control by not being able to leave the premises and by Defendants' requirement that they remain ready to respond to work requirements and job demands. Defendants also required Plaintiff and the Aggrieved Employees to remain under Defendants' control during any rest breaks they were authorized to take by responding to pages and messages and other work related questions and demands from customers and management.

Therefore, Defendants failed to authorize and permit Aggrieved Employees to take all their required rest breaks. Plaintiff and the other similarly situated Aggrieved Employees were either not authorized permitted the opportunity to take a rest break, or were required to remain under Defendants' control and respond to instructions and job demands. Defendants also failed to authorize and permit Employees to leave the property premises during rest breaks, or else prevented them from doing so, thus further evidencing Defendants' policy and practice of requiring Plaintiff and the Aggrieved Employees to remain under their control during required off-duty rest breaks.

Defendants' policies and practices thus systematically deny and denied Plaintiff and the Aggrieved Employees full, duty-free ten-minute rest periods and thirty-minute, duty-free meal periods. The California Supreme Court has instructed that the rest period requirement obligates



employers to permit and authorize employees to take-off-duty rest periods. That is, during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time. Plaintiff and the Aggrieved Employees were and are under Defendants' control when they are working through rest breaks, and Defendants failed to schedule or account for required first, second, and third rest breaks during the shifts Plaintiff and the Aggrieved Employees generally worked.

Defendants have also consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' earned wages, including by requiring off the clock work during breaks and before and after work shifts and by miscalculating the regular rate and accordingly underpaying overtime wages and meal and rest break premiums. By not compensating Employees for all hours worked and under Defendants' control at the correct rates, Defendants unlawfully deducted wages earned by and owed to Plaintiff and the Aggrieved Employees, in violation of Labor Code § 221.

Defendants also failed to provide suitable seating to Plaintiff and the Aggrieved Employees. Plaintiff had to use the dining room chairs that customers would also use to eat if they dined in when Plaintiff worked on Defendants' paperwork during her shift. Plaintiff was not allowed to use the dining room chairs when customers were in the store. And Defendants did not provide any seating for her. Plaintiff was required to work on her feet to complete reports and paperwork demanded by the Defendants, even though it is appropriate to be seated while engaging in these tasks. Additionally, the associates and other employees in the restaurant were not provided a seat to perform their duties. No seating was provided near the register, where it would permit the associate to perform their duties. By failing to provide Plaintiff and certain Aggrieved Employees with suitable seats, in accordance with the applicable wage order. Defendants also violated California Labor Code § 1198. Plaintiff and Aggrieved Employees were harmed by Defendants' failure to provide seats because they were required to stand for extended periods of time despite the fact that the nature of his work did not require that they remain standing at all times.

Defendants also violated California Labor Code § 246 by not providing all required paid sick days to Plaintiff and the similarly aggrieved Employees. Labor Code § 246 provides that an Employee who "works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section." Paid sick time for nonexempt employees shall be calculated in the same manner as the regular pay rate for the workweek in which the employee uses the paid sick time. Defendants failed to provide Plaintiff and the other similarly Aggrieved Employees with all their required and earned sick days paid at the correct rate of pay, in violation of Labor Code § 246. Additionally and upon information and belief, Defendants have failed to provide COVID-19 supplemental sick leave to the Aggrieved Employees during the relevant time period, including by failing to provide two work weeks of COVID-19 supplemental paid sick leave paid at the correct rates as required under Labor Code §§ 248.1 and 248.2 and including damages and penalties as these sections are enforced through Labor Code § 248.5, which requires that: "If paid sick days were unlawfully withheld, the dollar amount of paid sick days withheld from the



employee multiplied by three, or two hundred fifty dollars (\$250), whichever amount is greater, but not to exceed an aggregate penalty of four thousand dollars (\$4,000), shall be included in the administrative penalty.” Plaintiff accordingly seek this relief available for Defendants’ failure to provide Employees with all their required and earned sick days and all their COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, and the civil and statutory penalties available and applicable under Labor Code §§ 246, 248.1, 248.2, 248.5, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and also for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Defendants also failed to pay Plaintiff and the other Aggrieved Employees all vested vacation time at the time of their separation from Defendants’ employment, in violation of Labor Code § 227.3. Specifically, Plaintiff’s paystubs do not show a vacation payout or balance. Moreover, Defendants failed to pay Plaintiff for all earned and unused vacation time at her final rate of pay at the time of Plaintiff’s resignation from her employment. On information and belief similarly situated Aggrieved Employees are also owed vested vacation time.

Upon information and belief, Defendants also failed to provide Employees such as Plaintiff at the time of her employment and thereafter with written notice complying with all the requirements of Labor Code § 2810.5, which provides that: “At the time of hiring, an employer shall provide to each employee a written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing” specifically required information. Upon information and belief, Defendants failed to provide this information to the Aggrieved Employees as required under Labor Code § 2810.5. Defendants were required to provide Plaintiff and the Aggrieved Employees certain specific information upon hiring pursuant to California Labor Code § 2810.5. Defendants failed to provide Plaintiff with any such information when she was hired, or have failed to produce it, and upon information and belief, Defendants committed similar violations in connection with similarly situated Aggrieved Employees.

Defendants have failed to comply with Labor Code § 226(a) by inaccurately listing the name and address of the legal entity that is the employer. On information and belief, during the relevant time period, Defendants have listed JM West Inc., Inc. on wage statements issued to Plaintiff and Aggrieved Employees. Plaintiff and the Aggrieved Employees worked for other entities who are included among the Defendants such as JM West II, Inc, JM Santa Maria LP, and JM Arroyo Grande in various locations across the state of California. Defendants repeatedly changed the name of their company entity. Defendants’ failure to accurately name the legal entity employing Plaintiff and Aggrieved Employees on wage statements issued to them has caused confusion over the entity responsible for addressing the Labor Code violations alleged by Plaintiff.

Defendants have also consistently failed to provide Aggrieved Employees with timely, accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws, including by the above-described requirement of off the clock work, failure to pay all overtime and double time wages owed and failure to pay them at the appropriate premium rates, and failure to pay premium wages for unprovided or otherwise unlawful meal and rest breaks, or by



miscalculating any overtime or meal period or rest break premium wages and by the systematic and unlawful deductions Defendants took from Employee wages. Defendants have also made it difficult to account with precision for the unlawfully withheld wages and meal and rest period compensation owed to Plaintiff and the Aggrieved Employees, during the liability period, including because they did not calculate the regular rate of pay correctly when paying overtime or meal period premiums and because they did not implement and preserve a record-keeping method as required for non-exempt employees by California Labor Code §§ 226, 1174(d), and paragraph 7 of the applicable California Wage Orders. Upon information and belief, time clock punches were not maintained or were not accurately maintained for work shifts and meal periods. Defendants also failed to accurately record and pay for all regular and overtime hours worked and submitted by Plaintiff and the Aggrieved Employees, including by failing to pay all overtime hours at the correctly calculated overtime premium rate.

Defendants also provided Plaintiff and the Aggrieved Employees with wage statements that failed to accurately report all hours worked and applicable hourly rates for all hours worked. For the same reasons as explained above, Plaintiff and the Aggrieved Employees were provided with unlawful wage statements that failed to reflect all hours worked and failed to pay for all overtime hours or failed to pay overtime wages at the correct overtime premium rate, and Defendants miscalculated meal and rest break premiums, and sick time if and when they did pay them. Defendants followed this unlawful policy and practice even though both Plaintiff and Defendants were aware that Plaintiff and the Aggrieved Employees worked more total hours than were reflected on the wage statements, including overtime hours, and were underpaid by regular rate miscalculation. Plaintiff and the Aggrieved Employees were unable to discern from their wage statements alone the actual hours they worked in total during a pay period and the rates they were paid for those hours worked.

Defendants have thus also failed to comply with Labor Code § 226(a) by inaccurately reporting total hours worked and total wages earned by Plaintiff and the Aggrieved Employees, along with the appropriate applicable rates, among other requirements. Plaintiff and Aggrieved Employees are therefore entitled to penalties not to exceed \$4,000.00 for each employee pursuant to Labor Code § 226(b). Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, and wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked.

Defendants also required Plaintiff and the Aggrieved Employees to work hours off the clock for which they were not compensated. They were also required to endure off the clock work addressed above during interrupted or otherwise on-duty meal and rest periods and were not provided with sick pay and supplemental sick leave and were subjected to systematic off the clock work. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or failed to pay it at the correct rate, as addressed above. Therefore, Defendants have also followed a uniform and consistent policy of failing to pay all wages owed to Plaintiff and other similarly situated Employees at the time of their termination or



within seventy-two hours of their resignation, as required by California wage-and-hour laws, including under Labor Code § 203.

Defendants have also regularly required Plaintiff and the Aggrieved Employees to incur necessary business expenses in the course of performing their required job duties without reimbursement. These included the cell phone-related expenses that Plaintiff incurred to conduct work related activities such as clocking in and out, texting and calling the supervisors, checking schedules downloading work apps, and Zoom calls in responding to calls from management on her personal phone. Plaintiff and the Aggrieved Employees must be reimbursed for these necessary business expenses under Labor Code § 2802, and Defendants systematically failed to do so.

PAGA Claim Details, Legal Bases for Violations and Penalties:

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

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.

Defendants failed to pay Employees the minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with off the clock work, including all the time required to remain on duty and under Defendants’ control during breaks and due to the work demands placed upon them by Defendants’ management and due to unlawful rounding. Defendants, and each of them, have also intentionally and improperly rounded, changed, adjusted and/or modified Employee hours, or required Employees to do so, and imposed difficult to attain job and shift scheduling requirements on Plaintiff and the Aggrieved Employees, which resulted in off the clock work and underpayment of all wages owed to Employees over a period of time, while benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Aggrieved Employees, including by requiring systematic off the clock work. Defendants’ uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the foregoing, 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). Plaintiff and 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, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is 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 Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates. Defendants, and each of them, have intentionally and improperly rounded, changed, adjusted and/or modified certain employees' hours, including Plaintiff's, or required Aggrieved Employees to do so, or otherwise caused them to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits, in violation of the California Labor Code, the California Code of Regulations and the IWC Wage Orders and guidelines set forth by the Division of Labor Standards and Enforcement.

Defendants have also violated these provisions by requiring Plaintiff and other similarly situated non-exempt 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 or remain under Defendant's control. When considered in combination with the unlawful rounding to their detriment, Aggrieved Employees were not properly compensated, nor were they paid overtime rates or the correct overtime rate (addressed above) for hours worked in excess of eight hours in a given day, and/or forty hours in a given week. Based on information and belief, Defendants did not make available to 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 Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other 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 foregoing, 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 is 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 in Violation of Labor Code § 227.3

Cal. Labor Code § 227.3 requires that employers who provide employees with vacation time must pay employees for all unused vacation at the time of termination of employment. Defendants violated Cal. Labor Code § 227.3 by failing to pay Plaintiff and Aggrieved Employees the vacation time due and owing to them at the time of termination of their employment. Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 203, 558, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating to Employees Under the Wage Orders:

Plaintiff also alleges that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. Plaintiff had to use the dining room chairs that customers would also use to eat if they dined in when Plaintiff worked on Defendants' paperwork during her shift. Plaintiff was not allowed to use the dining room chairs when customers were in the store. And Defendants did not provide any seating for her. Plaintiff was required to work on her feet to complete reports and paperwork demanded by the Defendants, even though it is appropriate to be seated while engaging in these tasks. Additionally, the associates and other employees in the restaurant were not provided a seat to perform their duties. No seating was provided near the register, where it would permit the associate to perform their duties.

The nature of the affected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and



employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees’ work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties. By their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

For the above addressed violations of paragraph 14 of the applicable IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, Plaintiff seeks penalties available and applicable under Labor Code § 2699(f)(2) and paragraphs 14 and 20 of the applicable IWC Wage Orders, and also attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods due to the work demands placed upon them by Defendants’ management, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks due to Defendants’ policies and practices.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant’s control, in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours, second meal periods were not provided. 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, including by miscalculating any premium payments they did make. 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.



Under the PAGA, and following exhaustion of the notice period, Plaintiff 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 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants generally failed to authorize and permit any rest breaks, or provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond job requirements or simply failed to authorize and permit them at all. Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. 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 break 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.

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 effective hourly rates of pay 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.

Under the PAGA, and following exhaustion of the notice period, Plaintiff 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).

Failure to Issue Accurate 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, the wage statements given to Aggrieved Employees inaccurately list the name and address of the legal entity that is the employer and failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, as discussed above, and failed to list accurate rates of pay due to miscalculations of overtime and premium pay. 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, ..."

Unlawfully Collecting or Receiving Wages in Violation of Labor Code § 221

Labor Code § 221 provides, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." As discussed above, Defendants have consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' earned wages, including by the above described off the clock work and unlawful rounding and overtime miscalculation. By not compensating Employees for all hours worked, Defendant unlawfully deducted wages earned by and owed to Aggrieved Employees, in violation of Labor Code § 221.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558. Under the PAGA, and following exhaustion of the notice period, Plaintiff seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods and by rounding. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees, and costs pursuant to Labor Code §§ 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, by unlawful rounding and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees 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 timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 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).

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 foregoing, 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 foregoing, Plaintiff and 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 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, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the foregoing, Plaintiff and 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 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 itemizing in wage statements all deductions from payment of wages and 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 Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and 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).

Failure to Provide Information Upon Hiring Pursuant to Labor Code § 2810.5:

Labor Code § 2810.5 provides that: "At the time of hiring, an employer shall provide to each employee a written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing" specific required information. Upon information and belief, Defendants failed to provide this information to the Aggrieved Employees as required under Labor Code § 2810.5. Under the PAGA, and following exhaustion of the notice period, Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2810.5, 1198, and 2699(f)(2), 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 Plaintiff and the Aggrieved Employees to pay for necessary work-related expenses they incurred. These included the use their cellular phones to conduct work related activities such as clocking in and out, texting and calling the supervisors, checking schedules downloading work apps, and Zoom calls for 8-10 hours per day. Plaintiff and the Aggrieved



Employees must be reimbursed for these necessary business expenses under Labor Code § 2802 and Defendants systematically failed to do so.

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, 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 attached 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.

Plaintiff and 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, 221, 226, 226.7, 227.3, 246, 248.1, 248.2, 248.5, 351, 354, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802, 2810.5, 2698, and 2699, et seq.; including as follows:

(a) Wage Claims: For failure to provide Plaintiff and 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), 4(B) 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) Meal and Rest Period Claims: For failure to provide Plaintiff and 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);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the 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, ...";

(d) 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);

(e) Unlawful Deductions and Failure to Reimburse Business Expenses: For Defendants' unlawful deductions from wages and for Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 221, 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 §§ 221, 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) Failure to Provide Paid Sick Days and COVID-19 Supplemental Sick Leave: For Defendants' failure to provide Employees with all their required and earned sick days and all their COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, and the civil and statutory penalties available and applicable under Labor Code §§ 246, 248.1, 248.2, 248.5, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);



(g) Failure to Provide Suitable Seating: For the above addressed violations of paragraph 14 of the applicable IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and the civil and statutory penalties available and applicable under Labor Code § 2699(f)(2) and paragraphs 14 and 20 of the applicable IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1); and

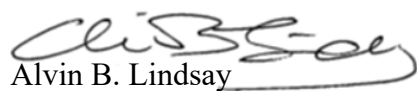
(h) All Other Alleged Violations of the Labor Code and IWC Wage Orders: For Labor Code §§ 227.3, 2810.5, and any above addressed violation of the applicable provisions of the Labor Code and IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available 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 JM WEST, INC., d/b/a Jersey Mike's Subs, a California Corporation; JM WEST II, INC., d/b/a Jersey Mike's Subs, a California Corporation; JM SANTA MARIA LP, d/b/a Jersey Mike's Subs, a California limited partnership; JM ARROYO GRANDE LP, d/b/a Jersey Mike's Subs, a California limited partnership; and any other named 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 Plaintiff and 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.



Alvin B. Lindsay

a.lindsay@d.law

Jean Hopkins Power

jean@d.law

Cc: JM West Inc., Inc., JM Santa Maria LP, JM Arroyo Grande LP, Timothy R. Binder, and Jair Neciosup-Paz by Certified Mail

Tuesday, March 19, 2024 at 17:47:18 Pacific Daylight Time

Subject: Thank you for submission of your PAGA Case.

Date: Tuesday, March 19, 2024 at 5:45:26 PM Pacific Daylight Time

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY

To: Evelyn Goode

Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

3/19/2024

LWDA Case No. LWDA-CM-1017498-24

Law Firm : D.Law

Plaintiff Name : Darlene M. Stroud and other aggrieved employees

Employer: JM West, Inc.

Filing Fee : \$75.00

IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 3

Stroud v. JM West dba Jersey Mike's Subs

Litigation Costs

Service Date		Details		Provider		Amount
10/23/23		Personnel Records Request Postage		USPS		\$ 10.30
3/19/24		LWDA Letter		LWDA		\$ 75.00
3/19/24		LWDA Letter Postage		USPS		\$ 86.00
3/20/24		Summons and Complaint		Rapid Legal		\$ 1,493.71
3/26/24		Process of Service of Summons and Complaint - JM Arroyo Grande LP, Db Jersey Mikes Subs		Rapid Legal		\$ 142.66
3/26/24		Process of Service of Summons and Complaint - JM Santa Maria LP, Db Jersey Mikes Subs		Rapid Legal		\$ 142.66
3/29/24		Process of Service of Summons and Complaint - JM West, Inc., Db Jersey Mikes Subs		Rapid Legal		\$ 91.16
4/1/24		Process of Service of Summons and Complaint - JM West II, Inc., Db Jersey Mikes Subs		Rapid Legal		\$ 91.16
4/2/24		Proof of Service of Summons - JM Arroyo Grande LP and JM Santa Maria, LP		Rapid Legal		\$ 15.66
5/23/24		First Amended Complaint, Notice of Initial Status Conference with Minute Order, Notice of Posting Jury Fees		Rapid Legal		\$ 170.16
6/26/24		Request for Dismissal, JHP Declaration, POS, NAR to First Amended Complaint, (Rejected) [Proposed] Order		Rapid Legal		\$ 15.66
7/8/24		Request for Dismissal of JM West Entities - [Proposed] Order		Rapid Legal		\$ 15.66
7/9/24		Revised Request for Dimissal, [Proposed] Order, JHP Declaration, POS		Rapid Legal		\$ 15.66
7/10/24		Joint Initial Status Conference Report (7.12.24)		Rapid Legal		\$ 15.66
7/13/24		Notice of Post Mediation Status Conference (1.21.25) & Minute Order, [Proposed] Order re Case Anywhere		Rapid Legal		\$ 15.66
9/24/24		Notice of Change of Address		Rapid Legal		\$ 15.66
9/30/24		Reissued Mediation Payment (12.6.24)		TODD A. SMITH, ESQ.		\$ 10,000.00
10/5/24		System Access Fee		Case Anywhere LLC		\$ 126.54
12/19/24		Expert Mediation Analysis		Berger Consulting Group		\$ 5,005.00
1/9/25		System Access Fee		Case Anywhere LLC		\$ 147.00
2/5/25		System Access Fee		Case Anywhere LLC		\$ 49.00
3/5/25		System Access Fee		Case Anywhere LLC		\$ 49.00
4/4/25		System Access Fee		Case Anywhere LLC		\$ 49.00
5/4/25		System Access Fee		Case Anywhere LLC		\$ 49.00
FUTURE		Motion for PAGA Approval		Rapid Legal		\$ 80.00
FUTURE		Notice of Entry of Judgment		Rapid Legal		\$ 15.66
FUTURE		Declaration Re: Final Distribution		Rapid Legal		\$ 15.66

Total \$ 17,998.29

EXHIBIT 4

Darlene M. Stroud v. JM Santa Maria LP, et al.
Los Angeles Superior Court Case No. 24STCV06910

|||||

<<PSA ID>>

<<First Last>>

<<Address>>

<<City, State, Zip, Country>>

Name/Address Changes (if any):

NOTICE OF PAGA REPRESENTATIVE ACTION SETTLEMENT

If you are or were a non-exempt, hourly employee of JM Santa Maria LP and/or JM Arroyo Grande LP at any time between March 19, 2023, and January 25, 2025, you are entitled to receive money from a PAGA Representative Action Settlement.

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why should you read this Notice?

A settlement (the “Settlement”) has been reached in a PAGA representative action lawsuit entitled *Darlene M. Stroud v. JM Santa Maria LP, et al.*, Los Angeles County Superior Court Case No. 24STCV06910 (the “Action” or “Lawsuit”). The Plaintiff in the Action is Darlene M. Stroud (“Plaintiff”). The Defendants in the Action are JM Santa Maria LP and JM Arroyo Grande LP (collectively, the “Defendants”).

The Court has approved a settlement that covers a “PAGA Group” (or “Aggrieved Employees”) defined as follows: All persons employed in the State of California as hourly, non-exempt employees by Defendants at any time between March 19, 2023, and January 25, 2025 (“PAGA Period”).

Defendants’ employment records indicate that you meet this definition, which makes you a member of the PAGA Group (referred to in this Notice as an “Aggrieved Employee”). The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights in light of the Court’s approval of the Settlement.

This Notice explains the Action, the Settlement, and your legal rights.

2. What is this Lawsuit about?

On March 19, 2024, Plaintiff’s counsel gave written notice to the Labor Workforce and Development Agency (“LWDA”) of the Labor Code violations Defendants are alleged to have violated (the “LWDA Exhaustion Letter”).

On May 23, 2024, Plaintiff filed the Operative Complaint seeking civil penalties against Defendants for (1) Failure to Pay Minimum and Straight Time Wages (§§ 1194, 1197, 1197.1); (2) Failure to Pay Overtime Wages (§ 510); (3) Failure to Pay Vacation Wages (§ 227.3); (4) Failure to Provide Suitable Seating (§ 1198); (5) Failure to Provide Meal Periods (§ 226.7); (6) Failure to Authorize and Permit Rest Periods (§ 226.7); (7) Failure to Provide Accurate Itemized Wage Statements (§ 226(a)); (8) Unlawful Deductions (§ 221); (9) Failure to Pay Timely Wages During Employment (§ 204); (10) Failure to Pay Timely Wages at Termination (§ 203); (11) Failure to Provide Sick Pay at the Correct Rate (§§ 245-246); and (12) Failure to Reimburse Necessary Business Expenses (§ 2802) in the Los Angeles County Superior Court, Case No. 24STCV06910.

Defendants vigorously deny all the claims and contentions made in the Action and maintain they have fully complied with the law. However, Defendants have agreed to settle the Action to avoid the expense of litigation.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. The Settlement is not an admission of liability by Defendants. Plaintiff and their attorneys believe the Settlement is fair, reasonable, and adequate, and in the best interests of all Aggrieved Employees.

4. What are the terms of the Settlement?

Defendants will pay Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) to settle the Action (the "Maximum Settlement Amount"). The Maximum Settlement Amount includes: (a) all Payments to the Aggrieved Employees; (b) the PAGA Counsel's attorneys' fees ("PAGA Counsel Fees Payment") and costs ("PAGA Counsel Litigation Expenses Payment"); (c) a payment to the California Labor and Workforce Development Agency ("LWDA") ("LWDA Payment"); and (d) the reasonable fees and costs of the Settlement Administrator ("Settlement Administrator Payment").

The Court has approved the following payments from the Maximum Settlement Amount:

- PAGA Counsel Fees Payment of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00);
- PAGA Counsel Litigation Expenses Payment of [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00); and
- Settlement Administration Payment for the third-party Settlement Administrator of Two Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$2,750.00).

Following the above payments from the Maximum Settlement Amount, the remaining amount of [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00) ("Net Settlement Amount") will be distributed as follows: 75% (or [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00)) will be paid to the LWDA ("LWDA Payment") and 25% (or [REDACTED] Dollars and Zero Cents (\$ [REDACTED].00)) will be paid to the Aggrieved Employees ("Aggrieved Employee Payment"). The law requires the allocation of the Net Settlement Amount between the LWDA Payment and Aggrieved Employee Payment as outlined above. No portion of the Maximum Settlement Amount will be returned to Defendants.

5. How much am I receiving?

Each Aggrieved Employee will receive a *pro rata* share of the Aggrieved Employee Payment based on the number of pay periods the person worked for Defendants in the State of California as an hourly-paid, non-exempt employee at any time between March 19, 2023, and January 25, 2025 ("Aggrieved Employee Payment Share"). Any pay period in which an Aggrieved Employee worked at least one day shall be counted as a pay period ("Pay Period").

To calculate an Aggrieved Employee's Payment Share, the Aggrieved Employee Payment will be divided by the aggregate total number of Pay Periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each

Aggrieved Employee's Payment Share will be calculated by multiplying each individual Aggrieved Employee's total number of Pay Periods by the Pay Period Value.

Your individual Pay Periods are: <<PayPeriods>>

Your individual Aggrieved Employee Payment Share is: \$<<Est.PAGAPaymentAmt>>

All settlement payments are subject to taxation. Each Aggrieved Employee Payment Share will be allocated as follows: 100% as penalties that will not be subject to deductions and withholdings. Each Aggrieved Employee will receive an IRS Form-1099 for his/her/their Aggrieved Employee Payment Share, unless said payment is less than or equal to \$600.00.

The Parties and their attorneys cannot provide and will not provide any advice regarding tax obligations. Aggrieved Employees should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

The Settlement checks will be able to be cashed for 180 days after they are issued. After 180 days, the Settlement checks will no longer be able to be cashed. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time they claim their property.

6. What claims are being released by the Settlement?

A Judgment has been entered by the Court.

As of the date Defendants fully fund the Maximum Settlement Amount Date, the LWDA, through Plaintiff as its proxy, and all Aggrieved Employees shall release the Released Parties for claims for civil penalties pursuant to PAGA based upon all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in the Action and the LWDA Exhaustion Letter within the PAGA Period, including all of the following claims for relief: (i) failure to pay all regular wages, minimum wages and overtime wages due (Cal. Lab. Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, & 1199); (ii) failure to provide compliant meal periods (Cal. Lab. Code §§ 226.7 & 512); (iii) failure to provide compliant rest breaks (Cal. Lab. Code § 226.7); (iv) failure to timely pay wages during employment (Cal. Lab. Code §§ 204 & 210); (v) failure to provide complete, accurate wage statements (Cal. Lab. Code § 226); (vi) failure to pay wages timely at time of termination or resignation (Cal. Lab. Code §§ 201-203); (vii) failure to maintain accurate records (Cal. Lab. Code §§ 1174(d) & 1174.5); (viii) failure to reimburse or indemnify business expenses (Cal. Lab. Code § 2802); (ix) improper deductions (Cal. Lab. Code §§ 221-223); (x) failure to provide suitable seating and resting facilities; (xi) failure to properly pay sick pay (Cal. Lab. Code §§ 245-248.5); (xii) failure to pay accrued vacation wages; (xiii) all claims under the California Labor Code Private Attorneys General Act of 2004 that were pleaded in the Action; (xiv) any claim for costs and attorneys' fees and expenses (collectively, the "PAGA Released Claims").

Aggrieved Employees cannot opt out of or object to the Settlement and are bound by the foregoing Release, whether or not they cash their Settlement checks.

The Released Parties include Defendants and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,

assigns, and joint venturers.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANTS' MANAGERS, SUPERVISORS,
OR ATTORNEYS ABOUT THIS SETTLEMENT

They will not be able to assist you.

EXHIBIT 5