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6 Attorneys for Plaintiff, GINA HOLLEY and
7 on behalf of herself and all others similarly situated
8 and aggrieved

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF SAN BERNADINO**

11 GINA HOLLEY, an individual and on behalf
12 of all others similarly situated,

13 Plaintiff,

14 v.

15 SERENITY LODGE, a California
16 Corporation; ZINNIA HEALTH LLC, a
17 Delaware limited liability company; and
DOES 1 through 100, inclusive,

18 Defendants.
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ELECTRONICALLY FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT
8/11/2025 3:46 PM
By: Leanne Landeros, DEPUTY

CASE NO.: CIVSB2426295

[Assigned for all purposes to the Hon. Cory G
Lee in Dept. S-37 SBJC]

**DECLARATION OF JOSHUA SHIRIAN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

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5. Shortly thereafter, the Parties agreed to exchange informal discovery and attend a mediation, in advance of which Class Counsel was provided with, among other things: (1) the operative employee handbooks and written policies and procedures related to the claims alleged in the Operative Complaint; (2) Plaintiff's personnel files and payroll and time records; (3) Defendants' California nonexempt employee lists (with employees' names and contact information removed); (4) exemplars of wage statements for every year from 2023 through 2025; (5) representative randomized sampling of corresponding time and pay records for 25% of the putative Class; (6) Class data points, including, for both current and formerly-employed putative Class Members between the start of the Class Period (August 26, 2020) and the date of mediation (April 1, 2025), total numbers of putative Class Members, approximate numbers of Workweeks worked, Pay Periods, and wage statements issued, and average hourly rates; and (7) PAGA group data points, including, for both current and formerly-employed Aggrieved Employees between the start of the PAGA Period (August 26, 2023) and the date of mediation (April 1, 2025), total numbers of Aggrieved Employees, approximate numbers of Workweeks worked, Pay Periods, and wage statements issued.

6. On April 1, 2025, the Parties participated in a full-day mediation before Katherine J. Edwards, Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters. The Parties were able to resolve the matter at mediation and reached the Settlement to resolve the Action. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit “1.”

The Proposed Settlement

7. Subject to Court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, the Parties have agreed to settle the Action by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is attached to the hereto as Exhibit “1.” A summary of the terms of the settlement are as follows:

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Defendants will stipulate, for purposes of this Settlement only, as follows:

- Certification of a class (“Settlement Class,” “Settlement Class Members” or “Class Members”) defined as: all individuals who are or were employed by Defendants as hourly-paid, non-exempt employees in California at any time from August 26, 2020 through May 31, 2025 (“Class Period”).
- Defendants will pay \$525,000.00 (“Gross Settlement Amount”) to resolve the Action.
- Defendants represent that the Settlement Class worked approximately 17,328 Workweeks during the Class Period. If the number of Workweeks worked by the Class Members during the Class Period is greater than 10% above that estimated by Defendants, or 19,061 Workweeks worked, then Plaintiff shall have the right to request a pro-rata increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 19,061 (*i.e.*, if the total Workweeks increases by 12%, then a 2% increase to the Gross Settlement Amount). Thus, for example, should there be 20,061 Workweeks in the Class Period as of the date the Court enters an Order granting Preliminary Approval of the Settlement (*i.e.*, 1000 more Workweeks than the 19,061 permitted by the 10% increase above the 17,328 Workweeks that formed the basis of agreeing upon the Gross Settlement Amount), then the Gross Settlement Amount shall be increased by \$30,300 (20,061 Workweeks – 19,061 Workweeks [=1,000 workweeks] x \$30.30/Workweek.)
- Defendants will pay the employer’s share of payroll taxes separate and apart from the Gross Settlement Amount.
- This is a non-reversionary settlement.
- Class Members will be paid their *pro rata* share of the Class Action Settlement based on the total number of Workweeks¹ worked during the Class Period.

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¹ “Workweek” means any week during which a Settlement Class Member was employed by Defendants Zinnia or Serenity as an hourly, nonexempt employee in California during the Class Period, and may be based on either: (1) weeks during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

- 1 • The Settlement Administration costs, estimated not to exceed \$10,000.00 will be paid
2 out of the Gross Settlement Amount.
- 3 • Class Counsel, comprised of Joshua Shirian and Aaron Yousefzadeh of Shirian Law,
4 P.C., hereby apply for, and Defendants will not oppose, attorneys' fees of up to thirty-
5 five percent (35%) of the Gross Settlement Amount, which, unless escalated pursuant
6 to the Settlement Agreement, amounts to \$183,750.00 and actual costs, not to exceed
7 \$20,000.00, all of which will be paid out of the Gross Settlement Amount.
- 8 • Class Counsel hereby apply for, and Defendants will not oppose, a Class
9 Representative Service Award of \$7,500.00 for Plaintiff, which will be paid out of the
10 Gross Settlement Amount.
- 11 • "Aggrieved Employees" means all individuals who are or were employed by
12 Defendants as hourly, non-exempt in California at any time from August 26, 2023
13 through May 31, 2025 ("PAGA Period").
- 14 • The Parties have agreed to allocate \$20,000.00 of the Gross Settlement Amount as
15 PAGA penalties, seventy-five percent (75%) or \$15,000.00 of which will be paid to
16 the LWDA, and twenty-five percent (25%) or \$5,000.00 of which will be distributed
17 to the Aggrieved Employees.
- 18 • Aggrieved Employees will be paid their *pro rata* share of the twenty-five percent
19 (25%) of the PAGA Penalties based on the total number of PAGA Pay Periods² worked
20 during the PAGA Period.
- 21 • Participating Class Members will receive an Individual Class Payment and Aggrieved
22 Employees will receive an Individual PAGA Payment as applicable. Individual Class
23 Payment and Individual PAGA Payment checks shall remain valid and negotiable for
24 one hundred and eighty (180) calendar days after the date of their issuance. In the
25 event that any checks mailed to Participating Class Members and/or Aggrieved

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27 ² "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee was employed by Defendants Zinnia
28 or Serenity as an hourly, non-exempt employee in California during the PAGA Period, and may be based on either (1)
 pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation
 dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

1 Employees are not cashed, deposited, or otherwise negotiated within the 180-day
2 period, then the checks shall be sent to the California State Controller's Office
3 Unclaimed Property Fund in the name of the individual, and such Class Members
4 and/or Aggrieved Employees shall nevertheless be bound to the Settlement and the
5 Final Approval Order. Thus, there shall be no "Unpaid Residue" subject to the
6 requirements of California Code of Civil Procedure section 384.

7 **Settlement Agreement and Accompanying Documents**

8 8. Attached hereto as "Exhibit 1" is a true and correct copy of the Settlement
9 Agreement fully executed by the Parties.

10 9. Attached to the Settlement Agreement as "Exhibit A" thereto is the proposed Court-
11 Approved Notice of Class Action and PAGA Settlement and Hearing Date for Final Court
12 Approval ("Notice") of Proposed Class Action Settlement and Date for Final Approval Hearing
13 ("Class Notice") to be distributed to Class Members.

14 10. The Parties have agreed to use Phoenix Class Action Administration Solutions
15 ("Phoenix" or "Settlement Administrator"), an experienced Settlement Administrator, to
16 administer the Settlement.

17 11. The Parties have agreed that the administration costs will be paid out of the Gross
18 Settlement Amount.

19 12. My office intends to submit a copy of the Settlement Agreement to the LWDA at
20 the same time that it is submitted to this Court in compliance with Labor Code section 2699.

21 **The Settlement was Negotiated at Arms-Length and Not Collusive**

22 13. The Settlement that has been reached, subject to this Court's approval, is a product
23 of substantial efforts by the Parties and their counsel. The Settlement was reached after: extensive
24 factual and legal investigation and research; substantial negotiation regarding the scope of
25 informal discovery; an exchange of documents and information that included review of a 25%
26 randomized sampling of the time and payroll records in the Class Period and analysis thereof with
27 the aid of Plaintiff and expert consultants; an analysis of shifts and Workweeks worked by Class
28 Members in the Class Period, analysis of the number of Pay Periods and number of Aggrieved

1 Employees in the PAGA Period extrapolated and carefully analyzed by Class Counsel, attorneys
2 and staff of Shirian Law, P.C., and expert data consultants from the data produced by Defendants
3 for calculating PAGA penalties, number of Class Members potentially eligible for wage statement
4 penalties and waiting time penalties; an analysis of Plaintiff's employment records; conversations
5 with Class Members to obtain first-hand accounts of their experiences, verify factual allegations,
6 identify systemic wage and hour practices, and evaluate the consistency of any violations across
7 various timeframes; extensive correspondence and communication between counsel; a review of
8 pleadings, evidence and rulings in similar actions litigated elsewhere in the state; a review of
9 similar cases in the same industry elsewhere in the country; and preparation for and attendance at
10 a full-day session of mediation, followed by months of further discussions and coordination to
11 finalize the terms and conditions of the general settlement parameters agreed to by the Parties.

12 14. While Class Counsel believe in the chance of success of certifying the claims, Class
13 Counsel recognized the potential risk, expense and complexity posed by further litigation.
14 Moreover, litigating Plaintiff's claims in this Action—claims that involve approximately 348
15 Class Members during the Class Period—would require substantial preparation and discovery and
16 ultimately would involve the deposition and presentation of numerous more witnesses (including
17 Class Members and expert witnesses), as well as the consideration, preparation and analysis of
18 expert reports. Counsel also considered the practical realities of Defendants' ability to fund a class
19 wide settlement, collection risk, and Defendants' ongoing business. Therefore, should litigation
20 have progressed any further, there would have been significant expense incurred by each side
21 (above and beyond the expense already incurred).

22 **The Settlement Amount is Well Within the Range of Reasonableness**

23 15. The settlement amount reached in this case provides significant recovery to Class
24 Members and Aggrieved Employees, and easily falls within the range of reasonableness. Based
25 on documents and information provided by Defendants, Class Counsel understand there were
26 approximately 17,328 Workweeks from August 26, 2020 through April 1, 2025.

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1 **Unpaid Wages for Failure to Pay Off-the-Clock Work**

2 16. Class Counsel theorized, based on Plaintiff and Class Members' narrative evidence
3 and documents produced by Defendants, that Defendants failed to pay all wages due to Class
4 Members because: (1) Defendants rounded Class Members' time entries to their detriment; and
5 (2) Defendants required Class Members to work off-the-clock or Class Members spent time off-
6 the-clock under Defendants' control.

7 Detrimental Rounding

8 17. Class Counsel advanced a theory at mediation, based on documents produced by
9 Defendants, that Defendants had a practice of detrimental rounding of time entries of Plaintiff and
10 Class Members. Class Counsel theorized, based on time and pay records produced by Defendants
11 and expert consultant analysis thereof, that Defendants ultimately failed to pay Class Members
12 for 0.086 hours per Workweek due to rounding, without accounting for time gained due to
13 Defendants rounding practice. Class Counsel understand from the documents produced that
14 73.7% of all shifts worked by Class Members were over eight (8) hours in length, Class Members
15 had an average regular hourly rate of pay of \$22.12, and there were 17,328 Workweeks worked
16 by the Class Members. Thus, one calculation performed by Class Counsel for mediation resulted
17 in **Defendants' exposure for lost time due to rounding in the amount of \$53,779.79** [(17,328
18 Workweeks x 0.086 hours/Workweek x .737 shifts greater than or equal to eight hours x
19 \$22.12/hour x 1.5 overtime rate) + (17,328 Workweeks x 0.086 hours/Workweek x .263 shifts
20 under eight hours x \$22.12/hour x 2 in liquidated damages)].

21 18. Class Counsel understand from the mediator and mediation process that Defendants
22 defend that their rounding practices were neutral and resulted in roughly equal amounts of
23 overpaid and underpaid shifts. Further, Defendants argued that Class Counsel's analysis failed to
24 account for instances in which employees were overcompensated as a result of the rounding
25 policy, and thus Plaintiff's analysis was exaggerated. Thus, Defendants maintained that their
26 rounding practices were legal and did not result in any compensable damages.

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Off-the-Clock Work

19. Class Counsel contend, based on Plaintiff's narrative evidence and documents produced by Defendants, that Class Members worked off-the-clock for a conservative estimate of thirty (30) minutes each workweek throughout the Class Period because: (1) Class Members arrived before clocking in to complete pre-shift tasks and (2) Class Members completed written reports of clients after clocking out.

20. Class Counsel understand, based on time and payroll records produced by Defendants that there were approximately 17,328 workweeks and 80,972 shifts during the Class Period, approximately 73.7% of all shifts were exactly or more than eight (8) hours in length, and Class Members had an average hourly rate of \$22.12. Thus, one calculation performed by Class Counsel resulted in **Defendants' exposure for alleged unpaid off-the-clock work in the approximate amount of \$312,673.19** ((.5 hr/workweek x \$22.12/hr x 1.5 overtime rate x 17,328 workweeks x .737 shifts greater than or equal to eight hours) + (.5 hr/workweek x \$22.12/hr hourly rate x 2 liquidated damages x 17,328 workweeks x .263 shifts under eight hours)).

21. Class Counsel understand that Defendants made the following defenses in connection with this claim: Defendants argued that they did not require Class Members to work off-the-clock and, rather, they were paid for all time suffered or permitted to work; Defendants contend that its policies prohibit off-the-clock work; Defendants also contend that any theory that off-the-clock work was performed is purely speculative, such off-the-clock work was voluntary if it occurred, unapproved, and certainly not indicative of a pattern or practice. Additionally, Defendants contend that any allegations that Class Members were required be under Defendants' control off-the-clock would necessitate an individualized inquiry into when and why, making this claim not subject to class treatment and any trial in this litigation unmanageable. Thus, Defendants contend that no damages can be recovered here, and, even if, *arguendo*, they could, an estimate of thirty (30) minutes of unpaid work off-the-clock of Class Members for *every single workweek* during the Class Period is a wild exaggeration of time spent working off-the-clock if *any* such time was spent.

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Recovery of Damages for Non-Compliant Meal Periods

22. Class Counsel theorized, based on narrative evidence of Plaintiff and Class Members as well as documents produced by Defendants, that Defendants' meal period practices throughout the Class Period were non-compliant because Class Counsel allege: (1) Class Members were not informed that they were entitled to a meal period premium in the event a meal period is interrupted, not duty-free, cut short or not received; (2) meal period policies were not in effect for a minor portion of the Class Period; (3) Defendants' meal period policies were non-complaint because they did not make clear that Class Members are entitled to meal period premiums for late, interrupted, or missed meals; and (4) meal periods were missed or taken late due to the amount of tasks assigned.

23. Class Counsel understands from the documents provided by Defendants and analysis of expert data consultants retained by Class Counsel, that there were 11,120 shifts over five hours with alleged meal period violations during the Class Period (late, short, missed meal periods, no meal period premiums were ever issued, and others). Additionally, Class Counsel understands that there were approximately 61,112 shifts over five hours with meal periods that were exactly thirty (30) minutes in length, but not accurately tracked or recorded. Accordingly, in one of Class Counsel's calculations, a conservative assumption was made that 33% of the meal periods recorded as exactly thirty (30) minutes in length were not properly tracked or recorded. Thus, one calculation made by Class Counsel resulted in **Defendants' maximum exposure for non-compliant meal periods in an approximate amount of \$649,973.20** [(11,120 eligible shifts x \$22.12/hour) + (61,112 shifts with meal periods exactly thirty minutes in length x 22.12 x .33) – (1,903 Meal Period Premiums paid x \$22.12/hour)].

24. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants argue that they had compliant meal period policies and practices; Defendants argue that Class Members took timely and full meal periods; Defendants contend that their policy requires their employees to take timely and full meal periods; Defendants further contend that any instance of a Class Member failing to take a compliant meal period was voluntary, in violation of its meal period policy, would necessitate an individualized inquiry and

1 would not lend itself to a manageable trial. Defendants also asserted that meal periods recorded
2 as exactly thirty (30) minutes in duration were neither shortened nor synthetically recorded, and
3 therefore asserted that no liability arises from such meal period entries. Moreover, Defendants
4 further contend that meal period premiums were properly paid to Class Members for any non-
5 compliant meal periods during the Class Period. Finally, Defendants argued that many Class
6 Members signed valid meal period waivers, thereby doing away with the vast majority of any
7 alleged non-compliant meal periods. Thus, Defendants contend that *no* monies are owed for this
8 account but, even if any amounts were due, the amount calculated by Class Counsel is excessive.

9 **Recovery of Damages for Non-Compliant Rest Periods**

10 25. Class Counsel theorized, based on Plaintiff's narrative evidence, that Defendants'
11 rest break practices throughout the Class Period were non-compliant because Class Members were
12 not permitted to take rest periods within the fifth hour or, on occasion, allowed to leave the
13 premises. Notably, there was no rest period premiums ever issued throughout the Class Period
14 and approximately 79,438 rest period eligible shifts were greater than 3.5 hours in length. Thus,
15 one calculation performed by Class Counsel resulted in, assuming a very conservative 40%
16 violation rate for rest-eligible shifts, **Defendants' exposure for failure to provide compliant**
17 **rest periods in an approximate amount of \$702,967.42** (79,438 shifts x .40 violation rate x
18 \$22.12/hour).

19 26. Class Counsel understand that Defendants make the following defenses in
20 connection with this claim: Defendants argue they had compliant rest period policies and
21 practices; Defendants argue that Class Members took timely and full rest periods; Defendants
22 contend that their policies require their employees to take timely and full rest periods; Defendants
23 allege that Class Members were advised of the right and obligation to take complaint rest periods
24 in their employee handbook and during training; Defendants further contend that any instance of
25 a Class Member failing to take a compliant rest period was voluntary, in violation of their rest
26 period policy, would necessitate an individualized inquiry and would not lend itself to a
27 manageable trial. Moreover, Defendants argue that Class Members were provided a reasonable
28 opportunity to take uninterrupted rest breaks and were allowed to leave the premises. Thus,

1 Defendants contend that *no* monies are owed for this account but, even if any amounts were due,
2 the amount calculated by Class Counsel is excessive.

3 **Wage Statement Violations**

4 27. Class Counsel theorized that Class Members are entitled to recover penalties for
5 Defendants' alleged failure to issue compliant wage statements under Labor Code section 226,
6 subdivision (e), for the derivative impact of the failure to pay all wages owed on providing
7 accurate information on wage statements. Specifically, Class Counsel theorized that penalties are
8 owed under Labor Code section 226 due to, at minimum, Defendants' failure to pay premium
9 wages for alleged overtime and non-compliant meal and rest breaks.

10 28. A non-exempt employee suffering injury as a result of a knowing and intentional
11 failure by an employer to comply with Labor Code section 226, subdivision (a), is entitled to
12 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which
13 a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent
14 pay period. Class Counsel understand from the data provided by Defendants that there were 2,415
15 pay periods during the relevant statutory time period for Class Members. If, in fact, Class
16 Members worked every off-the-clock every shift as set forth above, and no rest premiums were
17 paid, every wage statement would thus, Class Counsel theorized, violate Labor Code section 226.
18 Thus, **Defendants' maximum exposure for wage statement violations would be \$241,500**
19 (2,415 pay periods x \$100/pay period).

20 29. Class Counsel understand that Defendants make the following defenses in
21 connection with this claim: Defendants contend that the wage statements issued to the employees
22 fully complied with Labor Code section 226; Defendants contend that because they believe no
23 wages are unpaid that, thus, there can be no derivative penalties. Further, Class Counsel also
24 understand the risks inherent in this claim if the above claims were not certified. Class Counsel
25 also had to factor in, and did factor in, the risk that a Court would find there was no injury to Class
26 Members even if the wage statements were inaccurate or that Defendants' conduct was not
27 intentional, both of which are requirements of Labor Code section 226 before penalties can issue.
28 Class Counsel also note that the calculation used does not take into account the first pay period

1 violation only being \$50 and the fact that all Class Members did not work all pay periods and,
2 therefore, do not qualify for the maximum penalty of \$4,000 as calculated in Plaintiff's exposure
3 model used at mediation.

4 **Waiting Time Penalties**

5 30. Pursuant to Labor Code sections 201, 202 and 203, each employee in the relevant
6 statutory period (*i.e.*, three years before the filing of the initial Complaint) is entitled to up to 30
7 days' worth of wages as waiting time penalties for not being paid all wages due upon separation
8 from employment. Class Counsel theorized, based on relevant documents provided by
9 Defendants, that, under Labor Code section 203, Defendants are liable to pay each Class Member,
10 who was terminated or who left his or her employment during the relevant statutory period, a full
11 30-day worth of wages as waiting time penalty for failure to pay compensation in lieu of compliant
12 meal and rest periods, and failure to timely pay all wages due at the time of termination or
13 resignation. Based on relevant documents provided by Defendants, there were approximately 242
14 Class Members who were terminated or resigned during the relevant statutory period. Thus, one
15 calculation performed by Class Counsel resulted in **Defendants' maximum exposure for waiting**
16 **time penalties to be \$1,284,729** (242 separated Class Members x \$22.12/hour x 8 hours x 30
17 days).

18 31. Class Counsel understand that Defendants contend that there is no credence to
19 Plaintiff's off-the-clock theory and that, thus, no waiting time penalties are owed based on that
20 theory. Also, Defendants contend that many Class Members signed valid meal period waivers,
21 that they had compliant meal period policies and practices, and that Class Members took timely
22 and full meal periods such that no class action is even tenable in this Action. Finally, Defendants
23 contend that their actions were not "willful" and that, thus, waiting time penalties cannot be
24 awarded. Thus, Defendants argued that no waiting time penalties are owed.

25 **Failure to Timely Pay Wages**

26 32. Class Counsel, based on Plaintiff's narrative evidence, theorized Defendants failed
27 to pay wages to Class Members for work performed in a timely manner in violation of Labor Code
28 section 204.

1 33. However, after investigation and discovery, Class Counsel did not attribute
2 significant value to this claim at the time of mediation

3 **Failure to Reimburse for Business Expenses**

4 34. Class Counsel, based on Plaintiff's narrative evidence, theorized Defendants failed
5 to reimburse Class Members for business expenses in violation of Labor Code section 2802.

6 35. However, after investigation and discovery, Class Counsel did not attribute
7 significant value to this claim at the time of mediation.

8 **PAGA Penalties**

9 36. Class Counsel understand from the time and payroll data provided by Defendants
10 that there were 2,415 Pay Periods worked by approximately 148 Aggrieved Employees during the
11 PAGA Period. Plaintiff's claims in the Action under PAGA asserted each of the foregoing alleged
12 Labor Code violations, as well as other additional Labor Code violations as set forth in Plaintiff's
13 PAGA Notices and the First Amended Complaint. Defendants contend that only initial violation
14 rates may be used instead of the subsequent violation rates initially used by Class Counsel. With
15 this in mind, and because Class Counsel through investigation and discovery did not come to the
16 conclusion that Defendants at any time were notified by any governmental entity that they violated
17 any Labor Code sections presented in the PAGA Notices and PAGA claims, Class Counsel
18 adjusted the exposure model for Defendants to include only initial violation rates.

19 37. While Class Counsel are informed and believe that reasonable minds differ with
20 regard to calculation of PAGA penalties, Class Counsel believe it is reasonable to calculate
21 Defendants' maximum exposure in PAGA penalties as follows:

22 a. Overtime Violations: Labor Code section 558 prescribes penalties of \$50 for an
23 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
24 violations, and a violation every single pay period for every single non-exempt employee in the
25 PAGA Period, this amounts to a maximum exposure of \$120,750 (2,415 pay periods x \$50).

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1 b. Minimum Wage Violations: Labor Code section 1197.1 prescribes penalties of
2 \$100 for an initial violation and \$250 for each subsequent violation. Using the initial pay period
3 rate for all violations and a violation every single pay period for every single PAGA Member in
4 the PAGA Period, this amounts to a maximum exposure of \$241,500 (2,415 pay periods x \$100).

5 c. Meal Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
6 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
7 violations and a violation every single pay period for every single non-exempt employee in the
8 Settlement Period, this amounts to a maximum exposure of \$120,750 (2,415 pay periods x \$50).

9 d. Rest Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
10 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
11 violations and a violation every single pay period for every single non-exempt employee in the
12 Settlement Period, this amounts to a maximum exposure of \$120,750 (2,415 pay periods x \$50).

13 e. Waiting Time Penalties: Labor Code section 2699 prescribes penalties of \$100 for
14 an initial violation and \$200 for each subsequent violation. Because this violation is merited only
15 at separation of employment, a 100% violation rate would likely include just one violation per
16 employee. The data produced by Defendants indicates that there were 87 (Aggrieved Employees
17 whose employment was separated during the PAGA Period. This amounts to a maximum exposure
18 of \$8,700 (87 separated Aggrieved Employees x \$100).

19 f. Wage Statement Violations: According to *Gunther v. Alaska Airlines, Inc.* (2021)
20 287 Cal.Rptr.3d 229, in this instance, Labor Code section 2699 would be the appropriate penalty
21 for wage statement violations that are inaccurate, which prescribes penalties of \$100 for an initial
22 violation and \$200 for each subsequent violation (*Id.* at 247-248). Using the initial pay period rate
23 for all violations and a violation every single pay period for every single Aggrieved Employee in
24 the PAGA Period, this amounts to a maximum exposure of \$241,500 (2,415 pay periods x \$100).

25 g. Failure to Reimburse Work Expenses: Labor Code section 2699 would be the
26 appropriate penalty for failure to reimburse work expenses, which prescribes penalties of \$100 for
27 an initial violation and \$200 for each subsequent violation (*Id.* at 247-248). However, after
28 investigation and discovery, Class Counsel did not attribute significant value to this claim at the

1 time of mediation.

2 h. Failure to Pay Vacation Pay Upon Separation of Employment: Labor Code section
3 2699 prescribes penalties of \$100 for an initial violation and \$200 for each subsequent violation.
4 However, after investigation and discovery, Class Counsel did not attribute significant value to
5 this claim at the time of mediation.

6 i. Violation of Labor Code § 204: Labor Code section 204 states that labor performed
7 between the first (1st) and fifteenth (15th) days, inclusive, of any calendar month shall be paid for
8 between the sixteenth (16th) and twenty-sixth (26th) day of the month during which the labor was
9 performed, and labor performed between the sixteenth (16th) and the last day, inclusive, of any
10 calendar month shall be paid for between the first (1st) and tenth (10th) day of the following month.
11 Labor Code section 210 would be the appropriate penalty for violation of Labor Code section 204.
12 However, after investigation and discovery, Class Counsel did not attribute significant value to
13 this claim at the time of mediation.

14 j. Violation of Labor Code § 246: Labor Code section 246 states that Defendants
15 must provide paid sick leave for employees who have worked more than 30 days within one year
16 of employment. Labor Code section 2699 prescribes penalties of \$100 for an initial violation and
17 \$200 for each subsequent violation. This amounts to a maximum exposure, using the initial
18 violation rate, of \$241,500 (2,415 pay periods x \$100).

19 k. Violation of Labor Code § 404: Labor Code section 404 states that Defendants shall
20 reimburse Aggrieved Employees, plus interest, for the deposits made for uniforms immediately
21 upon the return of such property. Labor Code section 2699 would be the appropriate penalty for
22 failure to return uniform deposits. However, after investigation and discovery, Class Counsel did
23 not attribute significant value to this claim at the time of mediation.

24 l. Violation of Labor Code § 2810.5: Upon hire, employers must provide each
25 Aggrieved Employee a notice under Labor Code section 2810.5 with the information set out under
26 that Labor Code section. Labor Code section 2699 prescribes penalties of \$100 for an initial
27 violation and \$200 for each subsequent violation. However, after investigation and discovery,
28 Class Counsel did not attribute significant value to this claim at the time of mediation.

1 m. Suitable Seating Violations: Labor Code section 2699 prescribes penalties of \$100
2 for an initial violation and \$200 for each subsequent violation for the failure to provide suitable
3 seating to employees when the nature of work reasonably permits the use of seats. However, after
4 investigation and discovery, Class Counsel did not attribute significant value to this claim at the
5 time of mediation.

6 n. Unfair Competition and Restraints on Lawful Conduct: Labor Code section 2699
7 would be the appropriate penalty for violations of Labor Code sections 96, 98.6, 232, 232.5, and
8 1197.5 subdivision (k), which prescribes penalties of \$100 for an initial violation and \$200 for
9 each subsequent violation for requiring employees to sign unlawful agreements, conducting
10 unlawful pre-employment inquiries and background checks, and unlawful reliance on salary
11 history when making hiring and compensation offers. Using the initial pay period rate for all
12 violations and a violation every single pay period for every single Aggrieved Employee in the
13 PAGA Period, this amounts to a maximum exposure of \$241,500 (2,415 pay periods x \$100).

14 o. Conclusion: In sum, Class Counsel calculated Defendants' total maximum
15 exposure for PAGA violations if the Court were to find a 100% violation rate for every Aggrieved
16 Employee every pay period and not exercise its discretion to reduce any of those penalties to be
17 **\$1,336,950**. Class Counsel understand that Defendants argue the following in connection with this
18 claim: Defendants contend that no PAGA penalties are likely to be awarded and, even if they
19 were, the maximum exposure calculated by Class Counsel is vastly overstated; Defendants argue
20 that PAGA penalties cannot and should not be stacked; Defendants assert that individualized
21 issues predominate the PAGA claims, making the claims unmanageable for trial; Defendants deny
22 that a violation for each pay period can be established; Defendants contend that a Court is unlikely
23 to exercise its discretion to award civil penalties under PAGA where, as here, there is no conduct
24 shown by Plaintiff that would show any Labor Code violation by Defendants are knowing and
25 intentional. Defendants insist that this is especially true in this Action where class action damages
26 are available to Class Members, rendering an award of PAGA penalties in addition to class action
27 damages to be double recovery. Class Counsel maintain that it is possible to recover the
28 subsequent violation rate for penalties, that stacking is permissible, and that there is no

1 manageability requirement under PAGA (citing *Estrada v. Royalty Carpet Mills, Inc.*), Class
2 Counsel also understand the risks inherent should the Court not exercise its discretion to grant any
3 PAGA penalties, in addition to potential issues on the merits, trial manageability, and issues the
4 possibility that the Court does not use permit stacking of penalties or permit the use of the
5 subsequent violation rate when providing penalties. Altogether, Class Counsel believe an 80%
6 discount of this claim to be reasonable, resulting in a valuation of **\$267,390** as a reasonable
7 estimate of the likelihood of what Plaintiff may recover at trial for PAGA penalties (\$1,336,950
8 x 0.8).

9 **Conclusion**

10 38. When including derivative penalties, such as waiting time penalties, wage
11 statement violations, and discretionary PAGA penalties, Class Counsel theorized Defendants'
12 maximum exposure to be approximately \$3,513,012.60. In all, Class Counsel obtained a Gross
13 Settlement Amount of **\$525,000.00**. Particularly in light of the risks involving obstacles to class
14 certification, all issues and risks related to liability, the issues with manageability at trial, the
15 discretionary nature of PAGA penalties, and considering the case law regarding fair, reasonable
16 and adequate settlements, Class Counsel strongly believe that the Settlement reached is fair,
17 reasonable and adequate, and in the best interest of Class Members.

18 39. Moreover, \$20,000 of the Gross Settlement Amount was attributed to PAGA
19 Penalties. This allocation was decided mutually by the Parties and the mutual decision was based
20 on: (1) the fact that damages are available for the failure to pay wage claims while only penalties
21 are available for the PAGA claims; (2) the risk that the Court may exercise its discretion to decline
22 to stack PAGA penalties; (3) the risk that the Court may exercise its discretion to not award the
23 full amount of PAGA penalties available; and (4) the risk that the Court may decline to award any
24 PAGA penalties at all in light of the fact that damages are available for Class Members and it may
25 find any further liability against Defendants unnecessarily punitive.

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1 above-described definition as it is readily apparent to all involved who is a non-exempt employee
2 who worked in California for Defendants during the Class Period, based solely from Defendants'
3 payroll records, which amounts to approximately 348 persons.

4 **Numerosity**

5 43. Class Counsel understand from documents provided that Defendants have
6 identified at least 348 Class Members.

7 **Commonality**

8 44. This Action is brought to resolve common issues that include whether Defendants
9 failed to pay for all hours worked; whether Defendants provided full, timely and un-interrupted
10 meal and rest periods, whether Class Members are entitled to premium pay for incomplete,
11 untimely or interrupted meal or rest periods, among other claims as set forth above.

12 **Typicality**

13 45. Plaintiff's claims are typical of those of other Class Members as Plaintiff: (1) is a
14 non-exempt employee like other Class Members; (2) complains of not being paid for all time
15 under Defendants' control or suffered and/or permitted to work for Defendants; (3) did not receive
16 full premium pay for meal periods that were not compliant with the Labor Code; (4) did not receive
17 premium pay for rest periods that were not provided, among others as set forth above.

18 **Adequacy of Plaintiff**

19 46. Class Counsel believe no conflicts, disabling or otherwise, exists between Plaintiff
20 and Class Members because Plaintiff alleges to have been damaged by the same alleged conduct
21 of Defendants (i.e., Plaintiff classified as non-exempt employees, were not paid premium pay,
22 etc.) and thus has the incentive to fairly represent all Class Members' claims to achieve the
23 maximum possible recovery.

24 **Adequacy of Joshua Shirian**

25 47. As set forth below, Class Counsel in this matter consists of an experienced class
26 action attorney, has been appointed as class counsel in other class actions, and has a successful
27 "track record" in litigating class actions.

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1 **Superiority of Class**

2 48. Class Counsel believe this wage and hour class action is a superior vehicle for
3 resolution of the issues it seeks to resolve. It deals with common issues that are most efficiently
4 adjudicated together, as indicated above. Moreover, with at least 348 Class Members, presentation
5 of all of them before this Court may be problematic, impractical, and burdensome. On the contrary,
6 a class action allows claims of many individuals to be resolved at the same time, eliminates the
7 possibility of repetitious litigation and affords small claimants with a method of obtaining redress
8 for claims which otherwise would be too insufficient to warrant individual litigation.

9 **Class Counsel are Experienced Class Action Litigators**

10 49. Class Counsel is an experienced class action attorney, has been appointed as class
11 counsel in other class actions, and has a successful track record in litigating class actions.

12 50. I graduated with a Bachelor of Arts degree from the University of California,
13 Berkeley in 2018.

14 51. I received my Juris Doctorate from the University of Southern California Gould
15 School of Law in 2021.

16 52. In December of 2021, I was admitted to the California Bar and began practicing
17 law in the State of California.

18 53. For several years I was an attorney at Bibiyan Law Group, P.C., an experienced
19 employment law firm located in Los Angeles, California, with a focus on wage and hour class
20 actions. Therein, I practiced a range of employment civil litigation exclusively on behalf of
21 plaintiffs, and with a major focus on wage and hour class actions. Among other tasks, I oversaw
22 and managed a caseload of wage and hour class actions, led numerous mediations, drafted and
23 filed motions (i.e. Motion for Class Certification, Motion to Remand, etc.), attended court hearings
24 on a range of topics, and engaged in the discovery process.

25 54. In January of 2024, I established a law firm focused on representing employees in
26 claims against employers, specializing in recovering unpaid wages and addressing issues of
27 harassment, discrimination, and retaliation in various contexts.

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1 55. I am an active member of the California Employment Lawyers' Association
2 ("CELA"). I have also attended various Continuing Legal Education courses pertaining to
3 advocacy on behalf of employees.

4 56. My firm has the experience, resources, and means necessary to allow us to provide
5 adequate representation as Class Counsel to all class members in this litigation.

6 57. I have served as Class Counsel for numerous class actions filed with the Superior
7 Court of California and been appointed Class Counsel by the Superior Court of California in the
8 past for purposes of certifying a class. Some examples of Actions in which I have served as Class
9 Counsel or was appointed by the court as Class Counsel include, without limitation:

- 10 • *Ramirez v. Primex Farms LLC, et al.*, Case No. 20STCV06328, California Superior
11 Court, County of Los Angeles, Honorable Judge Elaine Lu, presiding;
- 12 • *Williams v. Marrs Services, Inc., et al.*, Case No. 21STCV23775, California Superior
13 Court, County of Los Angeles, Honorable Judge Stuart M. Rice, presiding;
- 14 • *Juarez v. Calmet Services, Inc., et al.*, Case No. 21STCV33668, California Superior
15 Court, County of Los Angeles, Honorable Judge Kenneth R. Freeman, presiding;
- 16 • *Moya v. Valassis Direct Mail, Inc., et al.*, Case No. 21STCV09412, California Superior
17 Court, County of Los Angeles, Honorable Judge Stuart M. Rice, presiding;
- 18 • *Ramirez v. EJ Lauren, LLC, et al.*, Case No. 21STCV31433, California Superior Court,
19 County of Los Angeles, Honorable Judge Kenneth R. Freeman, presiding;
- 20 • *Bailey v. Cannon Constructors, Inc., et al.*, Case No. 21STCV29935, California
21 Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl, presiding;
- 22 • *Getaw v. Consolidated Disposal Service, LLC, et al.*, Case No. 21STCV22036,
23 California Superior Court, County of Los Angeles, Honorable Judge Elihu Berle,
24 presiding;
- 25 • *Federics v. The HWood Group, LLC, et al.*, Case No. 21STCV44105, California
26 Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl, presiding;
- 27 • *Schafer v. Netflix Animation, LLC, et al.*, Case No. 22STCV18785, California Superior
28 Court, County of Los Angeles, Honorable Judge Elaine Li, presiding;

- 1 • *Mora v. IGT Global Solutions Corp., et al.*, Case No. 22STCV05393, California
2 Superior Court, County of Los Angeles, Honorable Judge Kenneth R. Freeman,
3 presiding;
- 4 • *Shivaie v. Elwyn, et al.*, Case No. 21CV382581, California Superior Court, County of
5 Santa Clara, Honorable Judge Sunil R. Kulkarni, presiding;
- 6 • *Camacho-Gaxiola v. Supreme Almonds of California, Inc.*, Case No. BCV-22-100558,
7 California Superior Court, County of Kern, Honorable Judge Thomas S. Clark,
8 presiding;
- 9 • *Quiroz v. Velazquez Packing, Inc., et al.*, Case No. 21CV01761, California Superior
10 Court, County of Santa Barbara, Honorable Judge James F. Rigali, presiding;
- 11 • *Prater v. On Courier 365, Inc., et al.*, Case No. 20-CIV-02814, California Superior
12 Court, County of San Mateo, Honorable Judge V. Raymond Swope, presiding;

13 I have also settled matters on a “PAGA Only” basis for aggrieved employees in the past,
14 including, without limitation, in:

- 15 • *London Young v. Amazon.com, LLC, et al.*, Case No. 21STCV38280, California
16 Superior Court, County of Los Angeles, Honorable Judge Elaine Lu, presiding;
- 17 • *Ackles v. Brinker Restaurant Corporation, et al.*, Case No. 22STCV19068, California
18 Superior Court, County of Los Angeles, Honorable Judge Gail Killefer, presiding;
- 19 • *Hardy v. Texas Roadhouse Management Corp., et al.*, Case No. CIVSB2222259,
20 California Superior Court, County of San Bernardino, Honorable Judge Jessica
21 Morgan, presiding;

22 58. Currently, my firm is acting as counsel in other wage and hour class actions and
23 representative PAGA actions.

24 59. After a thorough investigation and settlement discussions, Class Counsel arrived at
25 terms that they viewed was in the best interest of both the class members and the parties.

26 60. Should the Court refuse to grant preliminary approval of this Settlement, many of
27 the Class Members may be denied any recourse for Defendant’s alleged violations.

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61. For these reasons, as well as the reasons provided in the declarations concurrently filed, I believe that Class Counsel are sufficiently experienced and qualified to evaluate the class members' claims and viability of Defendants' defenses.

62. I believe, and as further set out in the declarations concurrently filed, the settlement presented here only resulted after having engaged in extensive informal and formal discovery and investigation, and is the product of hard-fought litigation and extensive arm's-length negotiations.

63. I believe, based on my experience as class counsel, that the Settlement is fair, reasonable, adequate and in the best interests of class members.

64. Class Counsel have no interest in or conflict with the settlement administrator, Phoenix Class Action Administration Solutions.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct this August 11, 2025, at Los Angeles, California.

Joshua Shuman

Joshua Shirian

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Gina Holley (“Plaintiff”) and defendants Zinnia Health LLC and Serenity Lodge (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Gina Holley v. Serenity Lodge et al.*, case no. CIVSB2426295, initiated on August 26, 2024 and pending in the Superior Court of the State of California, County of San Bernardino.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means all costs incurred by the Administrator in administration of the Settlement, including, but not limited to, the distribution of the Class Notice to the Settlement Class in English, calculating Individual Class Payments and Individual PAGA Payments, as well as associated taxes and withholdings, providing declarations, generating checks and related tax reporting forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved amounts for attorneys’ fees and reimbursement of litigation costs and expenses, to Plaintiff for her Service Payment, and to the LWDA for the LWDA PAGA Payment, providing weekly reports of opt-outs, objections, and related information, and any other actions of the Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The Administration Expenses Payment is estimated not to exceed \$10,000.00. If the actual amount of the Administration Expenses Payment is less than \$10,000.00, the difference between \$10,000.00 and the actual Administration Expenses Payment shall be a part of the Net Settlement Amount. If the Administration Expenses Payment exceeds \$10,000.00 then such excess will be paid solely from the Gross Settlement Amount and Defendants will not be responsible for paying any additional funds in order to pay these additional costs.
- 1.4. “Aggrieved Employees” means all individuals who are or were employed by Defendants as hourly, nonexempt employees in California during the PAGA Period.
- 1.5. “Class” means all individuals who are or were employed by Defendants as hourly, nonexempt employees in California during the Class Period.
- 1.6. “Class Counsel” means Joshua Shirian and Aaron Yousefzadeh of Shirian Law, P.C. The term “Class Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute, settle, and obtain Final Approval of the Settlement in the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, last-known telephone number, Social Security number, dates of employment (*i.e.*, hire dates, and, if applicable, re-hire date(s) and/or separation date(s)), and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members after Preliminary Approval in English in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from August 26, 2020 through May 31, 2025.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative of up to \$7,500.00, subject to Court approval, for initiating the Action and providing services in support of the Action, which will be paid out of the Gross Settlement Amount.
- 1.15. “Court” means the Superior Court of California, County of San Bernardino.
- 1.16. “Defendants” means named Defendants Zinnia Health LLC and Serenity Lodge.
- 1.17. “Defense Counsel” means O’Hagan Meyer LLP.
- 1.18. “Effective Date” means the later of: (1) the date the Court signs an Order granting Final Approval of this Settlement and Judgment; (2) if there is an objector, 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.

- 1.19. “Final Approval” or “Final Approval Order” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$525,000.00, which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment. It expressly excludes employer payroll taxes owed on the Wage Portions of the Individual Class Payments, which shall be paid by Defendants separate, apart, and in addition to the Gross Settlement Amount.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee was employed by Defendants as an hourly, nonexempt employee in California during the

PAGA Period. PAGA Pay Periods may be based on either: (1) pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

- 1.31. “PAGA Period” means the period from August 26, 2023 through May 31, 2025.
- 1.32. “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.33. “PAGA Notices” means, collectively, Plaintiff’s April 30, 2024 and June 25, 2024 letters to Defendants and the LWDA (LWDA case no. LWDA-CM-1025460-24), providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.
- 1.36. “Plaintiff” means Gina Holley, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” or “Preliminary Approval Order” means the Court’s order granting preliminary approval of the Settlement.
- 1.38. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.39. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.40. “Released Parties” means Defendants and each of their former, present, and future owners, parents, and subsidiaries, and affiliates, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.
- 1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. “Response Deadline” means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Class portion of the Settlement; or (b) mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

- 1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44. “Workweek” means any week during which a Class Member was employed by Defendants as an hourly, nonexempt employee in California during the Class Period. Workweeks may be based on either: (1) weeks during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

2. RECITALS.

- 2.1. On August 26, 2024, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against Defendants for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to pay final wages upon separation (waiting time penalties); (6) failure to provide accurate itemized wage statements; (7) failure to timely pay wages during employment; (8) failure to indemnify/reimburse necessary expenses; and (9) unfair competition. On October 9, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint alleging all causes of action against Defendants described in the original Class Action Complaint and adding an additional tenth cause of action for penalties based on, *inter alia*, the foregoing pursuant to PAGA. The First Amended Class and Representative Action Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.
- 2.3. On April 1, 2025, the Parties participated in an all-day mediation presided over by employment law mediator Katherine Edwards, Esq., which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, various documents and information that allowed Plaintiff to evaluate the potential exposure and potential risk, including, *inter alia*: (1) the operative employee handbooks and written policies and procedures related to the claims alleged in the Operative Complaint; (2) Plaintiff’s personnel files and payroll and time records; (3) Defendants’ California nonexempt employee lists (with employees’ names and contact information removed); (4) exemplars of wage statements for every year from 2023 through 2025; (5) representative randomized sampling of corresponding time and pay records for 25% of the putative Class; (6) Class data points, including, for both current and formerly-employed putative Class Members between the start of the Class Period (August 26, 2020) and the date of mediation (April 1, 2025), total numbers of putative Class Members, approximate

numbers of Workweeks worked, Pay Periods, and wage statements issued, and average hourly rates; and (7) PAGA group data points, including, for both current and formerly-employed Aggrieved Employees between the start of the PAGA Period (August 26, 2023) and the date of mediation (April 1, 2025), total numbers of Aggrieved Employees, approximate numbers of Workweeks worked, Pay Periods, and wage statements issued. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

- 2.5. Class Counsel has conducted significant investigation of the law and facts relating to the claims asserted in the Action, the PAGA Notices, and have concluded that that the Settlement set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits to be received by Settlement Class Members.
- 2.6. Defendants have concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the inconvenience involved, and the concomitant disruption to their business operations, it is in their best interest to accept the terms of this Agreement. Defendants deny each of the allegations and claims asserted against them in the Action and the PAGA Notices. However, Defendants nevertheless desire to settle the Action for the purpose of avoiding the burden, expense, and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Action.
- 2.7. The Court has not granted class certification.
- 2.8. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay \$525,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be \$183,750.00, and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount. If the Administration Expenses Payment exceeds \$10,000.00 then such excess will be paid solely from the Gross Settlement Amount and Defendants will not be responsible for paying any additional funds in order to pay these additional costs.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks

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

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

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00) allocated to the LWDA PAGA Payment and 25% (\$5,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate there are 348 Class Members who collectively worked a total of approximately 17,328 Workweeks (between the start of the Class

Period on August 26, 2020 and the date of mediation on April 1, 2025), and 148 Aggrieved Employees who worked a total of approximately 2,415 Pay Periods (between the start of the PAGA Period on August 26, 2023 and the date of mediation on April 1, 2025).

- 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to notify Class Counsel if they discover that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within seven (7) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement

Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivision (b).
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including Class Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint or ascertained during the Action and released under Paragraph 5.2, below; and (b) all PAGA claims that were, or reasonably could have been, alleged, based on facts contained in the Operative Complaint, Plaintiff's PAGA Notices, or ascertained during the Action and released under Paragraph 5.3, below ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or

Plaintiff's discovery of them. This Agreement does not impact or affect Plaintiff's non-wage and hour individual claims not asserted in the Action.

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including, e.g., any and all claims involving: (1) any alleged failure to pay overtime wages; (2) any alleged failure to pay minimum wages; (3) any alleged failure to provide compliant meal periods and/or premium pay in lieu thereof; (4) any alleged failure to provide compliant rest periods and/or premium pay in lieu thereof; (5) any alleged failure to timely pay final wages upon separation of employment; (6) any alleged failure to furnish complete and accurate itemized wage statements; (7) any alleged failure to timely pay wages during employment; (8) any alleged failure to indemnify/reimburse necessary expenses incurred; and (9) any alleged fraudulent, and/or unlawful business practices arising out of the Labor Code and Industrial Welfare Commission ("IWC") Wage Order violations referenced in the Operative Complaint. Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

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

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Defendants' Declaration in Support of Preliminary Approval. Because funds from uncashed checks will be transmitted to the California Controller's Office, Unclaimed Property Fund, Defendants and Defense Counsel have no obligation to provide

declarations disclosing any facts relevant to any actual or potential conflicts with a “*cy pres* recipient.”

- 6.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve; and (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a)), Operative Complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)), and all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement, to the extent possible. However, Class Counsel does not require the approval of Defense Counsel to file any Motion for Preliminary Approval.
- 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval Order to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

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7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

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

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class portion of the Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class Member's Social Security Number; (3) the Class Member's signature; and (4) the following statement: "Please exclude me from the Settlement Class in the *Holley v. Serenity Lodge, et al.* matter" or any statement of similar meaning standing for the proposition that the Class Member does not wish to participate in the Class Settlement. To be valid, a Request for Exclusion must be timely postmarked by the Response Deadline. The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and Defendants' Counsel and shall report the Requests for Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final Approval Hearing.
- 7.5.2 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.3 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved

Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via mail. The Administrator shall immediately provide copies of all disputes to Class Counsel and counsel for Defendants and shall immediately attempt to resolve all such disputes directly with relevant Settlement Class Member(s) with the assistance of Defendants' Counsel and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the dispute.
- 7.7 Objections to Settlement.
- 7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendants' Counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to appear at the Final Approval Hearing; and (6) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Settlement Class Member objects to the Class Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Settlement Class Member who does not object. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be conclusively determined according to the records of the Settlement Administrator.
- 7.7.2 Participating Class Members may send written objections to the Administrator, by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

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

7.8.3 Administrator’s Declaration. Before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), and the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

7.8.4 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its

disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

- 8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendants estimate that, as of the date of this Settlement Agreement, (1) there are 358 Class Members and approximately 17,328 total Workweeks (between the start of the Class Period on August 26, 2020 and the date of mediation on April 1, 2025), and (2) there are 148 Aggrieved Employees who worked approximately 2,415 Pay Periods (between the start of the PAGA Period on August 26, 2023 and the date of mediation on April 1, 2025). If the number of Workweeks worked by the Class Members during the Class Period is greater than 10% above that estimated by Defendants, or 19,061 Workweeks worked, then Plaintiff shall have the right to request a pro-rata increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 19,061 (i.e., if the total Workweeks increases by 12%, then a 2% increase to the Gross Settlement Amount).
- 9. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party(ies) will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 14 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
- 10. MOTION FOR FINAL APPROVAL.** Once a Final Approval Hearing is set, Plaintiff will timely file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (I), a Proposed Final Approval Order, and a proposed Judgment (collectively, "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment

shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the

Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments or addendums to this Agreement.
- 12.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party(ies) in this Settlement.
- 12.7 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 12.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.12 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final payout of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties

further agree upon the signing of this Agreement, pursuant to Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

12.17 The Parties agree that the Court shall have continuing jurisdiction over the Agreement and Settlement terms pursuant to Code of Civil Procedure section 664.6.

PLAINTIFF:

Dated: 05/13/2025

GINA HOLLEY

Gina Holley
Gina Holley (May 13, 2025 08:16 PDT)

Gina Holley
Plaintiff and Class Representative

DEFENDANT:

Dated: June 2, 2025

SERENITY LODGE

Taek-Geun Kwon
Taek-Geun Kwon (Jun 2, 2025 12:57 EDT)

By: Taek-Geun Kwon

Title: Chief Executive Officer

DEFENDANT:

Dated: June 2, 2025

ZINNIA HEALTH LLC

Taek-Geun Kwon
Taek-Geun Kwon (Jun 2, 2025 12:57 EDT)

By: Taek-Geun Kwon

Title: Chief Executive Officer

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 05/12/2025

SHIRIAN LAW, P.C.

Joshua Shirian
Joshua Shirian
Attorneys for Plaintiff

DEFENSE COUNSEL:

Dated: June 2, 2025

O'HAGAN MEYER LLP

William B. Richards, Jr.
William B. Richards, Jr.
Attorneys for Defendants

EXHIBIT A

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

Gina Holley v. Serenity Lodge et al.
Superior Court of the State of California, County of San Bernardino
Case No. CIVSB2426295

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

You may be eligible to receive money from an employee class action lawsuit (the “Action”) against Zinnia Health LLC and Serenity Lodge (“Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of Serenity Lodge, Gina Holley, (“Plaintiff”), and seeks payment of (1) back wages and other relief for a class of hourly, nonexempt employees who worked for Defendants in California during the Class Period August 26, 2020 through May 31, 2025 (“Class Members”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, nonexempt employees who worked for Defendants in California during the PAGA Period August 26, 2023 through May 31, 2025 (“Aggrieved Employees”).

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

- The Settlement is to resolve a class and representative action lawsuit, *Gina Holley v. Serenity Lodge et al.*, pending in the Superior Court of California for the County of San Bernardino, Case Number CIVSB2426295, alleging, *inter alia*, that, during the Class Period, Defendants, as it pertains to Class Members: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay all final wages due upon termination; (6) failed to provide accurate itemized wage statements; (7) failed to timely pay wages during employment; (8) failed to reimburse for necessary business expenses; and (9) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seek penalties under the California Labor Code Private Attorney Generals Act (“PAGA”) for allegedly Aggrieved Employees.
- On [REDACTED], the San Bernardino County Superior Court granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Action. Defendants vigorously deny the claims in the Action and contend that they fully complied with all applicable laws.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED].m. on [REDACTED], in the San Bernardino County Superior Court, San Bernardino Justice Center located at 247 W 3rd St, San Bernardino, CA 92415, in Department S-37 SBJC. You are not required to attend the Hearing, but you are welcome to do so.

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

The above estimates are based on Defendants' records showing that **you worked [REDACTED] Workweeks** during the Class Period and **you worked [REDACTED] Pay Periods** during the PAGA Period. Workweeks and Pay Periods may be based on either: (1) weeks/pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between non-exempt and exempt status. If you believe that you worked more Workweeks during the Class Period and/or more Pay Periods during the PAGA Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for Defendants as an hourly, nonexempt employee in California during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

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

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

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SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage and hour claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-Out of the Class Settlement but not the PAGA Settlement The Opt-Out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amounts of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many Workweeks you worked during the Class Period and how many Pay Periods you worked during the PAGA Period, respectively. Workweeks and Pay Periods may be based on either: (1) weeks/pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Serenity Lodge. The Action accuses Defendants of violating California labor laws by allegedly: (1) failing to pay overtime wages; (2) failing to pay minimum wages; (3) failing to provide compliant meal periods and/or premium pay in lieu thereof; (4) failing to provide compliant rest periods and/or premium pay in lieu thereof; (5) failing to timely pay final wages upon separation of employment; (6) failing to furnish complete and accurate itemized wage statements wages; (7) failing to timely pay wages during employment; (8) failing to indemnify/reimburse necessary expenses incurred; and (9) engaging in unfair, fraudulent, and/or unlawful business practices based on the foregoing allegations. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented by attorneys in the Action: Joshua Shirian and Aaron Yousefzadeh of Shirian Law, P.C. (“Class Counsel”).

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

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

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

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants Will Pay \$525,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not

more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to 35% of the Gross Settlement (i.e., \$183,750.00) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500.00 for Plaintiff Gina Holley as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive for the Settlement of the Action, other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$20,000.00 for PAGA Penalties, allocated 75% (i.e., \$15,000.00) to the LWDA PAGA Payment and 25% (i.e., \$5,000.00) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

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

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

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

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

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The written Request for Exclusion must include your name, Social Security Number, signature, and the following statement or any statement standing for the proposition that you seek to be excluded from the Settlement Class: "Please exclude me from the Settlement Class in the *Holley v. Serenity Lodge, et al.* matter." Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

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

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

on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint or ascertained in the course of the Action, including, e.g., any and all claims involving: (1) any alleged failure to pay overtime wages; (2) any alleged failure to pay minimum wages; (3) any alleged failure to provide compliant meal periods and/or premium pay in lieu thereof; (4) any alleged failure to provide compliant rest periods and/or premium pay in lieu thereof; (5) any alleged failure to timely pay final wages upon separation of employment; (6) any alleged failure to furnish complete and accurate itemized wage statements; (7) any alleged failure to timely pay wages during employment; (8) any alleged failure to indemnify/reimburse necessary expenses incurred; and (9) any alleged fraudulent, and/or unlawful business practices arising out of the Labor Code and Industrial Welfare Commission (“IWC”) Wage Order violations referenced in the Operative Complaint. Except as set forth in Paragraph 5.3 of the Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

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

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

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

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4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees, and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, Social

Security Number, signature, and a simple statement that you do not want to participate in the Class Settlement, such as “Please exclude me from the Settlement Class in the *Holley v. Serenity Lodge, et al.* matter.” The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Gina Holley v. Serenity Lodge et al.*, San Bernardino Superior Court case no. CIVSB2426295, and include your identifying information (full name, address, telephone number, approximate dates of employment and Social Security Number, for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator’s contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. Before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses, and Service Payment stating (i) the amount Class Counsel is requesting for attorneys’ fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval, and/or Motion for Fees, Litigation Expenses, and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why you object, any facts that support your objection along with whatever legal authority, if any, you assert in support of the objection, and whether you plan to appear at the Final Approval Hearing. Make sure you identify the Action (*Gina Holley v. Serenity Lodge et al.*, San Bernardino Superior Court case no. CIVSB2426295) and include your name, current address, telephone number, the last four digits of your Social Security Number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator’s contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don’t have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] a.m./p.m. in Department S-37 of the San Bernardino Superior Court (San Bernardino Justice Center),

located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally, telephonically, or virtually via the Court's virtual appearance platform. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. **HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website. You can also make an appointment to personally review court documents in the Clerk's Office.

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

Class Counsel:

Name of Firm: Shirian Law, P.C

Name of Attorney: Joshua Shirian

Email Address: josh@shirianlaw.com

Mailing Address: 11110 Ohio Ave., Suite 106, Los Angeles, CA 90025

Telephone: (310) 907-5000

Fax: (310) 988-5000

Settlement Administrator:

Name of Company: Phoenix Class Action Administration Solutions

Email Address: info@phoenixclassaction.com

Mailing Address: P.O. Box 7208, Orange, CA, 92863

Telephone: +1 (800) 523-5773

Fax: +1 (949) 209-2503

Website: www.phoenixclassaction.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2



SHIRIAN LAW

Joshua Shirian, Esq.
Attorney at Law
11110 Ohio Ave., Suite 106
Los Angeles, California 90025
Tel: (310) 907-5000
Email: josh@shirianlaw.com
Website: Shirianlaw.com

April 30, 2024

PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of Gina Lynne Holley on Behalf of Herself and Aggrieved Employees Under California Labor section 2699.3

Employer:

Serenity Lodge Inc
3822 Campus Dr., Suite 500
Newport Beach, CA 92660

Zinnia Health LLC
520 Newport Center Drive Ste 550
Newport Beach, CA 92660

To Whom It May Concern:

This letter shall constitute notice under Labor Code section 2699.3 (hereinafter “PAGA Notice”). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns Gina Lynne Holley (“Employee”) employment with Employee’s former employers: Serenity Lodge Inc. Employee was employed as a non-exempt employee of Serenity Lodge Inc at, without limitation, 985 Meadow Brook Rd, Lake Arrowhead, CA 92352, with duties that included, but were not limited to, welcoming clients, collecting contact information, reviewing and signing documents from approximately August of 2020 and through December of 2023. In connection with the alleged claims for failure to comply with Labor Code section 2810.5, Labor Code section 203, Labor Code section 226, Labor Code section 245, *et seq.*, Labor Code section 432, Labor Code section 1198.5, Labor Code section 2802, restraints on competition, whistleblowing and freedom of speech, Employee seeks to represent all employees of Serenity Lodge Inc, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, “Employer”). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off

the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, for paying straight pay instead of overtime pay, and by attempting but failing to properly implement an alternative workweek schedule (“AWS”) (including, without limitation, by failing to implement a written agreement designating the regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring; failing to adopt the AWS in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit; failing to follow the notice/disclosures procedures prior to any AWS election; and/or failing to register an AWS election with the State of California, as required by Labor Code section 511 and applicable Wage Orders) all to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer’s control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other aggrieved employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day’s work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 223, 1197, 1182.12, Cal. Code Regs, title 8, section 110404(5)(A), and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558 and 2699.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code

section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employee and other aggrieved employees and the rates of pay at which they were or should have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above, including, without limitation, for failure to pay at the proper regular rate of pay, among other things. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer has or had a policy or practice of unlawfully deducting wages by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address of which must but did not appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment or any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to

be payable or redeemable otherwise than in money. Employee is further informed and believes, and based thereon alleges, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a). Consequently, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code sections 212, 213, 226.7, and 510 subsection (a). Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employee is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. Employee is additionally informed and believes that the notice requirement of Labor Code section 245 *et seq.* involves a mandatory payroll or workplace injury reporting. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code section 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employer would be liable for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current employees prior to making a conditional offer. Employee is informed and believes, and based thereon alleges, that Employer violated applicable laws by, without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional

offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employee and other aggrieved employees. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.7 and Government Code section 12952, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer the applicant in violation of Labor Code section 432.3 by including, on Employer's application for employment, an inquiry regarding current and/or former salary history information, including, without limitation, compensation and benefits of the applicant for employment. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.3 entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.3 and 2699.

Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,
SHIRIAN LAW, P.C.

A handwritten signature in black ink, appearing to read 'Joshua Shirian', is written over the printed name.

Joshua Shirian

cc: Serenity Lodge Inc and Zinnia Health LLC (via U.S. Certified Mail, Return Receipt Requested)



SHIRIAN LAW

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June 25, 2024

AMENDED PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of Gina Lynne Holley and Jonathan Provost on Behalf of
Themselves and Aggrieved Employees Under California Labor section
2699.3

Employer:

Serenity Lodge Inc
3822 Campus Dr., Suite 500
Newport Beach, CA 92660

Zinnia Health LLC
520 Newport Center Drive Ste 550
Newport Beach, CA 92660

To Whom It May Concern:

This letter shall constitute *amended* notice under Labor Code section 2699.3 (hereinafter “*Amended PAGA Notice*”). The \$75 filing fee for the original PAGA Notice was paid online by credit card at the time the original PAGA Notice was submitted online to the Department of Industrial Relations.

This *Amended PAGA Notice* concerns Gina Lynne Holley and Jonathan Provost’s (collectively, “Employee”) employment with Employee’s former employers: Serenity Lodge Inc. Employee was employed as a non-exempt employee of Serenity Lodge Inc at, without limitation, 985 Meadow Brook Rd, Lake Arrowhead, CA 92352, with duties that included, but were not limited to, welcoming clients, collecting contact information, reviewing and signing documents from approximately August of 2020 and through December of 2023. In connection with the alleged claims for failure to comply with Labor Code section 2810.5, Labor Code section 203, Labor Code section 226, Labor Code section 245, *et seq.*, Labor Code section 432, Labor Code section 1198.5, Labor Code section 2802, restraints on competition, whistleblowing and freedom of speech, Employee seeks to represent all employees of Serenity Lodge Inc, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, “Employer”). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control

due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, for paying straight pay instead of overtime pay, and by attempting but failing to properly implement an alternative workweek schedule (“AWS”) (including, without limitation, by failing to implement a written agreement designating the regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring; failing to adopt the AWS in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit; failing to follow the notice/disclosures procedures prior to any AWS election; and/or failing to register an AWS election with the State of California, as required by Labor Code section 511 and applicable Wage Orders) all to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer’s control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other aggrieved employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day’s work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 223, 1197, 1182.12, Cal. Code Regs, title 8, section 110404(5)(A), and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated

damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558 and 2699.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employee and other aggrieved employees and the rates of pay at which they were or should have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above, including, without limitation, for failure to pay at the proper regular rate of pay, among other things. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer has or had a policy or practice of unlawfully deducting wages by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address

of which must but did not appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment or any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money. Employee is further informed and believes, and based thereon alleges, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a). Consequently, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code sections 212, 213, 226.7, and 510 subsection (a). Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit

and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employee is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. Employee is additionally informed and believes that the notice requirement of Labor Code section 245 *et seq.* involves a mandatory payroll or workplace injury reporting. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code section 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employer is informed and believes, and based thereon alleges that Employer violated Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable

proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employer would be liable for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current

employees prior to making a conditional offer. Employee is informed and believes, and based thereon alleges, that Employer violated applicable laws by, without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employee and other aggrieved employees. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.7 and Government Code section 12952, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer the applicant in violation of Labor Code section 432.3 by including, on Employer's application for employment, an inquiry regarding current and/or former salary history information, including, without limitation, compensation and benefits of the applicant for employment. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.3 entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.3 and 2699.

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California Labor and Workforce Development Agency
June 25, 2024
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Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this *Amended* PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,
SHIRIAN LAW, P.C.

A handwritten signature in black ink, appearing to read 'Joshua Shirian', written over a horizontal line.

Joshua Shirian

cc: Serenity Lodge Inc and Zinnia Health LLC (via U.S. Certified Mail, Return Receipt Requested)