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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

OSCAR MEDRANO, as an individual and on behalf of all others similarly situated, Plaintiff, vs. INK SYSTEMS, INC., a California corporation; and DOES 1 through 100, Defendants.	Case No.: 24STCV10541 [*Case assigned for all purposes to the Hon. Samantha P. Jessner, Dept. SSC-7*] **DECLARATION OF SEAN M. BLAKELY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: July 7, 2025 Time: 10:00 a.m. Dept.: SSC-7 Complaint Filed: April 25, 2024 Trial Date: None Set

I, SEAN M. BLAKELY, declare as follows:

1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff Oscar Medrano ("Plaintiff") and the proposed Settlement Class in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein & Marias I assisted trial attorneys in employment and personal injury cases. From September 2011 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused on representing employees in wage and hour class actions. My work at Mahoney Law Group, APC also included representing employees in individual claims for wrongful termination, harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I performed at Mahoney Law Group, APC included: conducting client intakes, performing pre-filing research and analysis, drafting complaints, attending court hearings, corresponding with opposing counsel, drafting and responding to written discovery, preparing for and taking and defending depositions, analyzing payroll and timekeeping records and employee handbooks, opposing motions for summary judgment, as well as a variety of other motions such as motions for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to quash, and motions for class certification, drafting mediation briefs, attending mediations, drafting long-form settlement agreements, drafting motions for preliminary and final settlement approval, and overseeing the notice process.

3. Since November 8, 2016, I have worked at my current firm, Haines Law Group, APC, where, in 2020, I became a Partner. I am currently responsible for managing over forty (40) active wage and hour class and representative actions in both state and federal court.

4. The following is a non-exhaustive list of wage and hour class actions in which I

have been appointed as class counsel and/or played a significant role in prosecuting the litigation, and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al,* Case No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding (granted final approval of settlement on behalf of employees at rehabilitation facility involving claims for unpaid wages and meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance Medical Center, Inc*., California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of healthcare workers for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Arteaga v. Command Center Security, Inc.,* Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving claims for unpaid overtime, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Casadine v. Maxim Healthcare Services, Inc*., Case No. CV 12-10078-DMG (CWx), United States District Court, Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement on behalf of home health care employees involving claims for unpaid wages and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Guzman v. Andrew Lauren Interiors, Inc*., *et al*., Case No. BC567757, California Superior Court, Los Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf of construction workers involving claims for unpaid wages, meal and rest period violation, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2014-2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and related violations, approved at hourly rate of $475 for work performed in 2016 and 2017); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees of a chemical manufacturing company involving claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al*., Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et al*., Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F. Highberger presiding (granting final approval of settlement involving claims for wage statement violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al*., Case No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of direct support professionals involving claims for unpaid wages, meal and rest period violations, wage statement violations, and other claims); *Aguilar v. Act Fulfillment, Inc*., Case No. RIC1616643, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval v. AMCOR Flexibles Inc*., Case No. BC617499, California Superior Court, Los Angeles County, Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of manufacturing employees involving claims for unpaid wages, meal period violations, rest period violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C*., Case No. RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt employees of a freight railcar manufacturer involving claims for unpaid overtime and minimum wages, meal period violations, and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement involving claims for unpaid overtime and minimum wages, rest period violations, wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons and other employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and other claims); and *Matthew Tovar, et al. v. Rentokil North America, Inc*., Case No. BC676386, California Superior Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc*., Case No. CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman presiding (granting final approval of settlement on behalf of sales development representatives involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy Aguilar, et al. v. Aero Port Services, Inc*., Case No. BC659234, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for meal and rest period violations, and other claims); *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al*., Case No. RIC1709905, California Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court, Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and penalty claims).

5. I have also moved to certify and have received an order certifying a class action in *Ontiveros v. Safelite Fulfillment, Inc., et al*., Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company,* Case No. 16-CV-02749-WQH (BLM), United States District Court, Southern District of California, Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes, wage statement class, and waiting time penalty class).

6. In each year from 2018-2023, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

7. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in this case since its inception, and I believe that the proposed Settlement is an excellent result for the Settlement Class.

8. Defendant Ink Systems, Inc. ("Ink Systems"), is a manufacturer of various inks and coatings for commercial and industrial applications. Ink Systems is based in Commerce, California with additional centers located in other states.

9. On April 25, 2024, Plaintiff filed his Class Action Complaint in Los Angeles County Superior Court, alleging that Ink Systems: (i) failed to pay all minimum wages; (ii) failed to pay all overtime wages; (iii) failed to provide all lawful meal periods; (iv) failed to authorize and permit all legally compliant rest periods; (v) failed to issue accurate, itemized wage statements; (vi) failed to pay all wages due to employees at the time of their separation from employment and (vii) engaged in unfair competition in violation of California Business & Professions Code § 17200 *et seq.* On April 26, 2024, Plaintiff sent his PAGA notice letter to the LWDA. Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff's April 26, 2024 LWDA Letter. Subsequently, on July 1, 2024, Plaintiff filed the First Amended Class and Representative Action Complaint ("FAC") adding a cause of action for civil penalties under the Private Attorneys' General Act of 2004, Labor Code Section 2698, *et seq*.

10. In connection with mediation, the Parties engaged in extensive informal discovery. Ink Systems produced timekeeping and payroll data for the entire putative class during the Class Period, as well as other documents and information. Ink Systems also produced its employee handbook in use during the Class Period, as well as other documents and information. Plaintiff hired a labor economist with a Ph.D. in economics to assist Plaintiff in conducting a comprehensive analysis of the timekeeping and payroll data produced by Ink Systems to create a detailed exposure analysis for all claims at issue. This discovery allowed the Parties to assess the

merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and Ink Systems' potential defenses.

11. On January 14, 2025, the Parties participated in a full-day mediation with Kevin Barnes, Esq., a well-respected wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the claims and defenses. At the conclusion of the mediation, Mr. Barnes issued a mediator's proposal for a class-wide settlement, which was accepted by both sides. During the months that followed, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the court. A true and correct copy of the Stipulation of Settlement is attached hereto as **Exhibit 1.** The proposed Class Notice and Notice of Estimated Settlement Payment are attached as **Exhibits A, and B**, respectively, to the Settlement Agreement.

12. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount ("GSA"):	$375,000.00
• Minus Court-approved attorneys' fees:	$125,000.00
• Minus Court-approved verified costs (up to):	$30,000.00
• Minus Court-approved Enhancement Payment:	$10,000.00
• Minus amount set aside as PAGA penalties:	$15,000.00
• Minus estimated settlement administration costs:	$6,000.00
Net Settlement Amount ("NSA"):	$189,000.00
• Plus 25% "PAGA Amount" to Settlement Class:	$3,750.00
Total Amount Paid to Settlement Class Members:	**$192,750.00**

13. According to Ink Systems, there are approximately 88 Settlement Class members. Therefore, the average Individual Settlement Award from the NSA is projected to be approximately $2,148. There are also approximately 66 Aggrieved Employees during the PAGA Period who will each receive an average of approximately $56.82 from the PAGA Amount.

14. As detailed in Plaintiff's Motion for Preliminary Approval, Plaintiff alleges that due to Ink Systems' scheduling policies/practices, first meal periods were frequently late (commencing after the fifth hour of work) and/or short (i.e., less than a full 30 minutes). Based on Plaintiff's expert's review of the timekeeping records Ink Systems produced, there were approximately 23,564 non-compliant meal periods reflected in the data. Plaintiff also calculated

the average hourly rate of pay to be approximately $24.54 per hour. Ink Systems' payroll records also show that Ink Systems paid approximately $98,758 in meal period premiums during the Class Period. Therefore, Plaintiff calculated Ink Systems' maximum exposure for first meal period violations at approximately $479,503 ([23,564 non-compliant first meal periods * $24.54 average meal period premium] – $98,758 meal period premiums paid). However, Ink Systems counters it has maintained compliant meal period policies throughout the Class Period and has always provided compliant meal periods in line with those policies. Furthermore, Ink Systems argues that its payment of approximately $98,578 in meal period premiums during the Class Period fully compensates Settlement Class members for any and all facially non-compliant meal periods. Ink Systems further contends that it always provides employees the opportunity to take meal periods and is not required to ensure they are taken. Thus, Ink Systems argues that any non-compliant meal periods resulted from lawful employee waiver or choice, rather than any policy and/or practice of Ink Systems. Finally, Ink Systems maintains Plaintiff's meal period claim is not suited for class certification since individual inquiries would be needed to assess which employees, if any, took non-compliant or missed meal periods, how many meal periods were non-compliant or missed, the reasons why a particular employee did not take a meal period on a particular shift, and for second meal periods, whether they waived the meal period. In light of these defenses and arguments, Plaintiff discounted Ink Systems' maximum exposure by 40% for the risk of non-certification, and an additional 50% to account for Ink Systems' defenses on the merits or failing to recover the full amount sought, to arrive at an estimated total of approximately $143,851.

15. Plaintiff further alleges that Settlement Class members were not provided with second meal periods when they worked shifts in excess of 10.0 hours in a workday. Plaintiff's expert's analysis and extrapolation of the timekeeping data revealed that there were approximately 5,303 shifts in excess of 10.0 hours during the Class Period without a compliant second meal period. Plaintiff therefore calculated Ink Systems' maximum exposure for second meal period violations at approximately $130,136 (5,303 non-compliant second meal periods * $25.54 average premium). However, Plaintiff's theory of liability carried significant risks of both non-certification and on the merits if Plaintiff was able to certify this claim, based on, *inter alia*,

Ink Systems' argument that it has maintained compliant written meal period policies throughout the Class Period, and that Settlement Class members voluntarily waived their second meal period on shifts in excess of 10.0 hours but less than 12.0 hours per Labor Code § 512. As with Plaintiff's first meal period claim, Ink Systems argues that individualized inquiries would preclude class certification for this claim as well. In light of these risks, Plaintiff discounted the maximum amount that the class could potentially recover by 40% for the risk of non-certification and an additional 65% for the risk of losing on the merits, or having exposure reduced due to Ink Systems' waiver arguments, to arrive at estimated exposure of $27,328.

16. During the Class Period, Plaintiff alleges that he and other non-exempt employees were not authorized and permitted to take all legally compliant rest periods, due to chronic understaffing and the work demands imposed upon them by Ink Systems. Based on Plaintiff's expert's analysis of employee timekeeping records, there were approximately 32,256 shifts in excess of 3.5 hours worked by Settlement Class members during the Class Period, and Plaintiff asserts that employees were never authorized and permitted to take any legally compliant rest periods during his employment, resulting in a maximum exposure of $791,562 (32,256 rest period eligible shifts * $24.54 average premium). However, Ink Systems argues that it always maintained and enforced lawful rest period policies and practices during the Class Period. Ink Systems also maintains that any failure to take rest periods was the result of employee waiver or choice, and that it is not required to police rest periods. Ink Systems further argues that Plaintiff's rest period claim is not amenable to class treatment as individualized inquiries would be required to determine which employees failed to take rest periods, and the reasons why each employee failed to take a rest period on a particular shift. These considerations are particularly present with respect to rest periods, Ink Systems argues, as rest periods are not—and need not be—recorded. In light of these defenses, Plaintiff discounted the maximum amount that the class could potentially recover by 50% for risk of non-certification, and discounted an additional 60% for risk of being unsuccessful on the merits or failure to recover the full amount sought, to arrive at a projected exposure of $158,312.

17. From the beginning of the Class Period until April 2024, Ink Systems utilized a

timekeeping policy/practice that required Plaintiff and other non-exempt employees to clock in and out using a system that recorded hours worked to the minute; however, Ink Systems rounded employee timekeeping entries in quarter-hour increments resulting in unpaid wages to Settlement Class members. Based on Plaintiff's review of employee records, Plaintiff estimates that Settlement Class members were underpaid by approximately 1,207 hours. Because Settlement Class members were generally scheduled for eight (8) hour shifts, Plaintiff contends these unpaid wages should be paid at an overtime rate of pay. Accordingly, Plaintiff estimates that in total, employees were underpaid approximately $44,430 in wages due to Ink Systems' rounding policies/practices (1,207 unpaid hours * $36.81 average overtime rate). However, Ink Systems raised several defenses to this claim, including its argument that it utilized an even-handed timekeeping system that, on balance, resulted in employees being paid for all hours actually worked, and that Plaintiff would be unable to certify this claim given the individualized inquiries as to whether employees were in fact underpaid, or overpaid for each workday in question. Based on these defenses, Plaintiff discounted the maximum exposure by 50% to account for the risk of non-certification, and an additional 50% to account for Ink Systems' defenses on the merits, to arrive at an estimated exposure of approximately $11,108.

18. As a result of the unpaid wages and unpaid meal and rest period premium wages described above, Plaintiff alleges that Ink Systems failed to comply with its final pay obligations set forth in Labor Code §§ 201-203. Ink Systems' records show approximately 24 Settlement Class members who separated their employment with Ink Systems since April 25, 2021, and are therefore eligible for waiting time penalties. Based on an hourly rate of $24.54, Plaintiff estimated the average waiting time penalty per former employee to be approximately $5,890 ($24.54 * 8 hours per day * 30 days). Therefore, Plaintiff calculated Ink Systems' maximum exposure for potential waiting time penalties to be approximately $141,360 (24 former employees * $5,890 average penalty). Ink Systems presented several defenses to this claim, most notably their assertion that because they possessed good-faith defenses to the underlying claims, any failure to pay wages was not "willful" as a matter of law. Ink Systems further asserts that Plaintiff's waiting time penalty exposure was grossly inflated as not every former employee experienced the alleged

Labor Code violations. Moreover, because the waiting time claim is derivative of Plaintiff's underlying wage claims, Plaintiff would need to overcome Ink Systems' defenses, both as to class certification and on the merits, as to his underlying claims. To account for Ink Systems' defenses, Plaintiff discounted the maximum exposure by 50% for the risk of non-certification and an additional 50% for the risk of losing on the merits and/or not receiving the maximum penalties sought, to arrive at an estimated exposure of approximately $35,340.

19. Plaintiff alleges that Ink Systems is liable for wage statement penalties as a result of the unpaid wages and unpaid meal and rest period premiums. Those penalties are calculated as $50 for each "initial" violation and $100 for each "subsequent" violation, with a maximum of $4,000 per employee. Ink Systems' records reflected that there were approximately 66 unique employees and approximately 2,274 pay periods worked during the liability period applicable to Plaintiff's wage statement claim. Plaintiff, therefore assumed a penalty rate of $50 per each of the "initial" 66 violations, and a penalty of $100 per each of the 2,208 "subsequent" violations, and calculated Ink Systems' potential wage statement exposure at approximately $224,100 ([66 "initial" violations * $50] + [2,208 "subsequent" violations * $100]). In light of Ink Systems' arguments that no violations occurred, that employees suffered no "injury," that any alleged violations were not "knowing and intentional," that the wage statements always accurately reflected hours worked and amounts paid to employees, as well as risks associated with Plaintiff's underlying claims discussed above, Plaintiff discounted the maximum exposure by 50% for risk of non-certification, and by an additional 60% for risk of being unsuccessful on the merits, for an estimated realistic exposure of approximately $44,820.

20. As a result of the foregoing Labor Code violations, Plaintiff alleges that Ink Systems is liable for civil penalties under the PAGA. Plaintiff estimated a maximum total PAGA exposure of approximately $227,400 (2,274 pay periods * $100 "initial" penalty). However, these penalties derive from the underlying wage and hour violations discussed above, which Ink Systems disputes vigorously. Ink Systems also asserts that the Court would drastically reduce any award of PAGA penalties as "confiscatory." Therefore, Plaintiff discounted the maximum figure by 70% for the risk of losing on the merits and/or not recovering a PAGA penalty for each and

every pay period, and an additional 75% to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of approximately $17,055.

21. Using these estimated figures for each of the claims described above, Plaintiff predicted that the potential realistic recovery for the Settlement Class would be approximately $437,814. The proposed Settlement of $375,000 represents approximately 85.6% of the reasonably forecasted recovery for the Settlement Class.

22. Although the Parties engaged in significant informal discovery prior to mediation, the Parties still had significant formal discovery to complete had the matter not been settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff was to certify the classes, the Parties would incur considerably more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

23. Class Counsel will also apply for an attorneys' fees award of one-third of the Gross Settlement Amount, which is currently estimated to be $125,000.00, and up to $30,000.00 in verified costs reimbursement. Plaintiff submits that the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, conducting extensive informal discovery, analyzing Settlement Class members' timekeeping and payroll records with the help of a retained expert, creating a comprehensive damages model, preparing for and attending mediation, negotiating and preparing the long-form Settlement Agreement, preparing this Motion, and otherwise litigating the case. Class Counsel expects to expend additional attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding questions from Settlement Class members, preparing the Final Approval papers, and attending the Final Approval hearing.

24. Plaintiff will apply for Class Representative Enhancement Payment at the time of seeking final approval of the proposed class action settlement in the amount of $10,000.00 for his

service to the Settlement Class. As will be fully briefed at the time of final approval, Plaintiff's requested Enhancement Payment is intended to recognize the time and effort Plaintiff expended on behalf of the Settlement Class, including providing substantial factual information and documents to Class Counsel, discussing the claims and theories at issue in the litigation, actively participating in the prosecution of his claims, as well as the significant risks Plaintiff undertook by agreeing to serve as the named plaintiff in this case.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on May 12, 2025, at El Segundo, California.

Sean M. Blakely

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiff Oscar Medrano ("Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below) on one hand, and Defendant Ink Systems, Inc. (hereinafter "Defendant") on the other hand. Plaintiff and Defendant are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC ("Class Counsel"). Defendant is represented by John R. Giovannone and Ronald Gomez of CDF Labor Law, LLP.

On April 25, 2024, Plaintiff filed a class action complaint in Los Angeles County Superior Court, in the matter entitled *Oscar Medrano v. Ink Systems, Inc., et al.,* Case No. 24STCV10541 (the "Complaint"). On July 1, 2024, Plaintiff filed the operative First Amended Class and Representative Action Complaint (the "FAC"). The FAC alleges the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; (7) unfair competition in violation of Cal. Business & Professions Code § 17200, *et seq*.; and (8) civil penalties under the Private Attorneys General Act, Cal. Labor Code § 2698 *et seq*. The Complaint and the FAC are referred to herein as the "Action."

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

> All current and former non-exempt employees who worked for Defendant Ink Systems, Inc., in California at any time from April 25, 2020 through April 30, 2025 (the "Class Period).

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure or under Rule 23 of the Federal Rule of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff**. Plaintiff and every member of the Settlement Class (except those who opt out and except as to the PAGA claims specified below) will fully release and discharge Defendant, and all of its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys, (collectively the "Released Parties"), as follows:

A. Upon the Effective Date and the complete funding of the Gross Settlement Amount, Settlement Class members will release all claims, demands, rights, liabilities, and causes of action that were pled in the operative First Amended Class and

Representative Action Complaint ("FAC"), or which could have been pled in the FAC based on the factual allegations therein, that arose during the Class Period, including claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide meal periods as required by law; (d) failure to authorize rest periods as required by law; (e) failure to provide accurate, itemized wage statements; (f) failure to pay employees all wages owed at the time of their separation from employment; and (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the " Class Released Claims"). The period of the Class Released Claims shall extend to the limits of the Class Period.

B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from April 26, 2023 through April 30, 2025 (the "PAGA Period") are "Aggrieved Employees" and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff's Notification Letter to the Labor and Workforce Development Agency ("LWDA") for claims during the PAGA Period as alleged in the FAC or that could have been based on the factual allegations in the FAC ("the PAGA Released Claims").

C. **Release by Plaintiff.** As a condition of receiving the Class Representative Enhancement Payment, and upon Defendant's complete funding of the Gross Settlement Amount, Plaintiff has agreed to release, individually and in addition to the Class Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers' compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

> **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.**

Specifically excluded from Plaintiff's Released Claims are any claims that cannot be released as a matter of law, such as claims for workers' compensation benefits or unemployment benefits. No workers' compensation claims are being resolved under this Settlement.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Gross Settlement Amount" of Three Hundred Seventy-Five Thousand Dollars and Zero Cents ($375,000.00) in full and complete settlement of the Action, as follows:

A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.

B. The Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of (1) date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, (2) solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.

C. This is a non-reversionary settlement. The Gross Settlement Amount includes:

(1) All payments (including interest) to the Settlement Class;

(2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Six Thousand Dollars and Zero Cents ($6,000.00);

(3) Up to Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff for Plaintiff's Class Representative Enhancement Payment, in recognition of his contributions to the Action and his service to the Settlement Class. Even in the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke this Settlement Agreement, and it will remain binding;

(4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Zero Cents ($30,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

(5) Fifteen Thousand Dollars and Zero Cents ($15,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Eleven Thousand Two Hundred Fifty Dollars and Zero Cents ($11,250.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($3,750.00), will be payable to certain Settlement Class members as the "PAGA Amount," which PAGA Amount will be distributed as described below.

(6) Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.

D. **Escalator Clause**. The Gross Settlement Amount is based on Defendant's representations that there are approximately 8,233 workweeks during the Class Period. If, at the time of preliminary approval, the number of workweeks has increased by 10% or more (i.e., if there are 9,057 or more workweeks during the Class Period), Defendant shall increase the Gross Settlement Amount on a proportional basis above the 10% threshold (e.g., if there was a 12% increase in the number of total workweeks, Defendant shall increase the Gross Settlement Amount by 2%).

E. Defendant's share of employer payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the Settlement. Individual Settlement Payments will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Enhancement Payment, the Settlement Administrator's fees and expenses for administration, and the total amount designated as PAGA civil penalties. The remaining amount shall be known as the "Net Settlement Amount."

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment based on the following formula:

i. <u>Payments to all participating Settlement Class members</u>: The Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period, and will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.

ii. In addition to the Net Settlement Amount, the PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.

C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Payment amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel. The Settlement Administrator shall make payments for Class Counsel's attorneys' fees and costs, settlement administration fees, and Plaintiff's Class Representative Enhancement Payment only after it mails Individual Settlement Payments to participating Settlement Class members.

D. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Payment shall be allocated as follows: Any payment from the Net Settlement Amount shall be allocated as eighty percent (80%) as penalties and interest; and twenty percent (20%) as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

E. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Twenty-Five Thousand Dollars and Zero Cents ($125,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents ($30,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to Ten Thousand Dollars and Zero Cents ($10,000.00) for Plaintiff, for his time and risk in prosecuting this case, and his service to the Settlement Class. This award will be in addition to Plaintiff's respective Individual Settlement Payment as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Enhancement Payment, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendant will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiff's request to the Court to pay up to Six Thousand Dollars and Zero Cents ($6,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, which shall be deducted from the Gross Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Individual Settlement Payments have been mailed to all participating Settlement Class members. The Settlement Administrator shall also be responsible for posting the Final Judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;

B. Appointing Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC as Class Counsel;

C. Appointing Plaintiff Oscar Medrano as Class Representative for the Settlement Class;

D. Approving ILYM Group, Inc. as Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Individual Settlement Payment, drafts of which are attached hereto as **Exhibits A** and **B**, respectively), and directing the mailing of same in English and Spanish; and

G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within ten (10) business days after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, Social Security numbers, the dates of employment, and the number of workweeks worked by each Settlement Class member while employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member via First Class U.S. Mail at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. <u>Requests for Exclusion.</u> Any Settlement Class member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number, and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release all PAGA Released Claims, whether they submit a valid and timely Request for Exclusion or not.

D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing and orally objecting to the Settlement. Members of the Settlement class who request exclusion *may not* object to the Settlement.

E. Notice of Estimated Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used from Defendant's records in order to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Settlement Class member and the Parties.

F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval of the Settlement, adjudging the terms thereof to be fair, adequate, and reasonable, and directing consummation of its terms and provisions;

B. Approving Plaintiff's and Class Counsel's request for attorneys' fees and reimbursement of costs, Class Representative Enhancement Payment, and settlement administration costs; and

C. Entering Final Judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to Federal Evidence Code Section 408 and California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If

Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by Federal Evidence Code Section 408 and the California Evidence Code Section 1152.

12. **Non-disclosure and Non-publication**. Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other Lawsuits, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

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

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant:	John R. Giovannone of CDF Labor Law LLP, 707 Wilshire Boulevard, Suite 5150, Los Angeles, California 90017; jgiovannone@cdflaborlaw.com.
if to Plaintiff:	Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

15. **Cooperation**. The Parties agree to work cooperatively, diligently, and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the Action contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Further, all terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the Los Angeles County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event

that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: March 27, 2025

DEFENDANT INK SYSTEMS, INC.

By: ______________________
Title: President Carl Hirsch

DATED: March 27, 2025

PLAINTIFF OSCAR MEDRANO

By: Oscar Medrano (Mar 27, 2025 17:40 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: March 27, 2025

CDF LABOR LAW, LLP

By: ______________________
John R. Giovannone
Ronald Gomez
Attorneys for Defendant

DATED: March 28, 2025

HAINES LAW GROUP, APC

By: ______________________
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

OSCAR MEDRANO, as an individual and on behalf of all others similarly situated, Plaintiff, vs. INK SYSTEMS, INC., a California corporation; and DOES 1 through 100, Defendants.	Case No. 24STCV10541 **NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees who worked for Defendant Ink Systems, Inc., in California at any time from April 25, 2020 through April 30, 2025. Collectively, these employees will be referred to as "Settlement Class members."

PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this notice?

The Los Angeles County Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the case of *Oscar Medrano v. Ink Systems, Inc.,* Los Angeles Superior Court Case No. 24STCV10541 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Ink Systems, Inc. ("Ink Systems") records show that you were employed at Ink Systems in California as a non-exempt employee between April 25, 2020 and April 30, 2025 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Oscar Medrano ("Plaintiff") brought this Action against Ink Systems, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Ink Systems in California at any time during the Class Period. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Plaintiff alleges that Ink Systems failed to provide Settlement Class members with all required meal and rest periods and that it failed to pay all minimum and overtime wages due to timekeeping policies and practices. The Action also alleges that as a result of these alleged violations, Ink Systems failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment. As a result of the foregoing alleged violations, Plaintiff alleges that Ink Systems engaged in unfair business practices and is liable for civil penalties under the Private Attorneys General Act ("PAGA").

Ink Systems denies that it has done anything wrong. Ink Systems denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Ink Systems, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Ink Systems has concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this Notice. After Ink Systems provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Ink Systems, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members:	Attorneys for Defendant Ink Systems:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Joel M. Gordon jgordon@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	**CDF LABOR LAW, LLP** John R. Giovannone jgiovannone@cdflaborlaw.com Ronald Gomez rgomez@cdflaborlaw.com 707 Wilshire Boulevard, Suite 5150 Los Angeles, California 90017 Tel: (213) 612-6300 Fax: (213) 612-6301 cdflaborlaw.com/

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Ink Systems in California during the Class Period. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Ink Systems as described below.

Ink Systems has agreed to pay $375,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys' fees and expenses, settlement administration costs, the amount designated as PAGA civil penalties, and the Class Representative's Enhancement Payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $6,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount paid to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses.

Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be $125,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $30,000.00 for verified costs Class Counsel incurred in connection with the Action.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to pay the Class Representative an Enhancement Payment in the amount of $10,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. $11,750.00 will be paid to the California Labor & Workforce Development Agency ("LWDA"), representing 75% of the $15,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claim on behalf of the Settlement Class members under the PAGA. The remaining $3,750.00 will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated at approximately $189,000.00 and will be divided as follows:

(i) The Net Settlement Amount shall be allocated among Settlement Class members (except those who submit a timely and valid Request for Exclusion) based on each participating Settlement Class members proportionate workweeks worked during the Class Period, which will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period

(ii) PAGA Amount: In addition to the Net Settlement Amount, the $3,750.00 PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Ink Systems at any time from April 26, 2023 through April 30, 2025 ("PAGA Period") (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be treated as follows: Any payment from the Net Settlement Amount shall be allocated as 80% as penalties and interest; and 20% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

<u>Release</u>. If the Court approves the Settlement, and upon the complete funding of the Gross Settlement Amount, all Settlement Class members who did not submit a timely and valid Request for Exclusion, will release Ink Systems, and all of its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys, (collectively the "Released Parties") from all claims, demands, rights, liabilities, and causes of actions that were pled in the First Amended Class and Representative Action Complaint ("FAC"), or which could have been pled in the FAC based on the factual allegations therein, that arose during the Class Period, including claims for: (a) failure to pay all minimum wages; (b) failure to pay all overtime wages; (c) failure to provide meal periods as required by law; (d) failure to authorize rest periods as required by law; (e) failure to provide accurate, itemized wage statements; (f) failure to pay employees all wages owed at the time of their separation from employment; and (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the "Class Released Claims"). The period of the Class Released Claims shall extend to the limits of the Class Period.

In addition, all Settlement Class members (regardless of whether they opt-out) who worked for Ink Systems at any time during the PAGA Period are "Aggrieved Employees" and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff's Notification Letter to the Labor and Workforce Development Agency ("LWDA") for claims during the PAGA Period as alleged in the FAC or that could have been based on the factual allegations in the FAC ("the PAGA Released Claims").

<u>Conditions of Settlement</u>. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

<u>Do Nothing</u>. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period, as well as the proportionate number of pay periods you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Individual Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

<u>Dispute Information in Notice of Estimated Individual Settlement Payment</u>. Your payment is based on the proportionate number of workweeks you worked during the Class Period, as well as the proportionate number of pay periods you worked during the PAGA Period. The information contained in Ink Systems' records regarding each of these factors, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Estimated Individual Settlement Payment. If you disagree with the information in your Notice of Estimated Individual Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Individual Settlement Payment. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payments will be binding on the Settlement Class member and the Parties.

<u>Exclude Yourself from the Settlement.</u> If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or card

postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for Ink Systems during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

<u>Objecting to the Settlement</u>. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement should file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Oscar Medrano v. Ink Systems, Inc.*, Los Angeles Superior Court Case No. 24STCV10541. You do not need to object in writing to be heard at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are <u>not</u> required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, during regular work hours. <u>You may also contact Class Counsel using the contact information listed above for more information</u>.

<u>PLEASE DO NOT CALL OR WRITE THE COURT, INK SYSTEMS, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS</u>

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<**RESPONSE DEADLINE**>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT B

NOTICE OF ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT

Oscar Medrano v. Ink Systems, Inc.
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 24STCV10541

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

____
(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

____
Former Names (if any)

____
New Street Address

____
City State Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment:

According to Ink Systems, Inc.'s ("Ink Systems") records:

(a) you worked for Ink Systems in California as a non-exempt employee from ____ until ____;

(b) you worked ____ workweeks for Ink Systems in California between April 25, 2020 and April 30, 2025; and

(c) you worked _____ pay periods for Ink Systems in California between April 26, 2023 and April 30, 2025.

Based on the above, your Individual Settlement Payment is estimated at **$**________.

(IV) If you disagree with items (a), (b), and/or (c) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

____
____
____
____

If you dispute the above information from Ink Systems' records, Ink Systems' records will control unless you are able to provide documentation that establishes otherwise, and that Ink Systems' records are mistaken. If there is a dispute about whether Ink Systems' information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form.

ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.

Signature: ____________________________ **Date:** ________________

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

April 26, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Oscar Medrano v. Ink Systems, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Oscar Medrano ("Mr. Medrano") in claims arising from his employment with Ink Systems, Inc.; and Does 1 through 100 (collectively "Ink Systems"). Mr. Medrano is an "aggrieved employee" as defined by Labor Code Section 2698 *et seq*., due to Ink Systems' numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" include all of Ink Systems' non-exempt employees who worked for Ink Systems in California during the one year immediately preceding the date of this letter through the present.

Ink Systems employed Mr. Medrano as a non-exempt "Ink Technician" from approximately July 10, 2023, until approximately August 7, 2023. Ink Systems is in the business of manufacturing inks and coatings.

During Mr. Medrano's employment with Ink Systems, Ink Systems utilized a timekeeping system which resulted in Mr. Medrano and other aggrieved employees not being compensated for all hours actually worked, whether by rounding, time-shaving, or otherwise. Ink Systems' timekeeping policies/practices were not even-handed and have resulted in Mr. Medrano and other aggrieved employees not being compensated for all hours worked. During Mr. Medrano's employment with Ink Systems, Ink Systems also routinely required Mr. Medrano and other aggrieved employees to put on their work uniforms prior to clocking in for their shifts, resulting in Mr. Medrano and other non-exempt employees not being compensated for all hours worked. Further, on occasions when Mr. Medrano worked over eight hours in a workday and/or forty hours in a workweek, Ink Systems' timekeeping policies/practices deprived him of additional overtime wages earned. Due to Ink Systems' timekeeping policies/practices that fail to compensate for all hours worked, Mr. Medrano and other aggrieved employees were not compensated for all required minimum and overtime wages.

2155 CAMPUS DRIVE, SUITE 180 • EL SEGUNDO, CA 90245
T: 424-292-2350 • F: 424-292-2355
WWW.HAINESLAWGROUP.COM

During Mr. Medrano's employment with Ink Systems, Ink Systems failed to provide Mr. Medrano and other aggrieved employees with all legally compliant meal periods due to Ink Systems' meal period policies/practices, which frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and/or missed meal periods. Specifically, due to work demands, Mr. Medrano was frequently unable to commence his meal periods until after the completion of five hours of work. Additionally, although Mr. Medrano and other aggrieved employees worked shifts in excess of 10.0 hours, Ink Systems failed to provide Mr. Medrano and other aggrieved employees with second meal periods on shifts over 10.0 hours. On those occasions when Mr. Medrano was not provided with all legally-compliant meal periods to which he was entitled, Ink Systems failed to compensate Mr. Medrano with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, Ink Systems maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7, in the event that a legally-compliant meal period was not provided to their non-exempt employees.

Ink Systems also failed to authorize and permit all required rest periods for Mr. Medrano and other aggrieved employees. Specifically, Ink Systems often failed to authorize and permit a 10-minute period of net rest for every four hours worked or major fraction thereof due to work demands imposed by Ink Systems. On those occasions when Mr. Medrano was not authorized and permitted all legally required rest periods to which he was entitled, Ink Systems failed to compensate Mr. Medrano with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Ink Systems maintained no payroll code for paying rest period premiums under Labor Code § 226.7.

As a result of Ink Systems' failure to compensate Mr. Medrano and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages, Ink Systems maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements. As a further result of Ink Systems' failure to compensate Mr. Medrano and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages, Ink Systems failed to pay Mr. Medrano and other aggrieved employees all wages owed at the time of their separation of employment with Ink Systems.

As described above, Ink Systems committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"):

<u>Minimum Wage Violations</u>

Ink Systems was required to pay Mr. Medrano and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 1, § 4. As alleged above, Ink Systems failed to conform its pay practices to the requirements of the law by failing to pay Mr.

Medrano and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Ink Systems and/or suffered or permitted to work under the California Labor Code and Wage Order 1. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Medrano and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Ink Systems was required to pay Mr. Medrano and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As alleged above, Ink Systems caused Mr. Medrano and other aggrieved employees to work overtime hours but did not compensate Mr. Medrano and other aggrieved employees at one and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Mr. Medrano and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Ink Systems failed to provide Mr. Medrano and other aggrieved employees with all required and compliant meal periods, due to Ink Systems' meal period policies/practices that often failed to provide first meal periods before the end of the fifth hour of work, and failed to provide second meal periods for shifts of over 10.0 hours. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Medrano and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, Ink Systems also failed to authorize and permit Mr. Medrano and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. Specifically, Ink Systems did not schedule rest periods, nor otherwise maintained or maintains any policy or practice for ensuring that non-exempt employees are authorized and permitted to take rest periods. As a result, Mr. Medrano and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Ink Systems was required to furnish Mr. Medrano and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, total net wages earned, and the name of the legal entity that is the employer. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 1, § 7. As a result of Ink Systems' failure to pay all overtime, minimum, and double-time wages, and failure to pay all required meal and rest period premium wages, Ink Systems maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Medrano and other aggrieved employees in violation of Labor Code § 226. Ink Systems' failure to comply with its wage statement obligations was knowing and intentional, and Mr. Medrano and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Ink Systems failed to timely pay Mr. Medrano and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Ink Systems' failure to pay all final wages due to Mr. Medrano and other aggrieved employees was willful and, consequently, entitles Mr. Medrano and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Ink Systems failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Medrano will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Medrano's own investigation, and on information and belief, Ink Systems committed and continues to commit the following Labor Code violations:

a. Ink Systems violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Medrano and other aggrieved employees the statutory minimum wage for all hours worked;

b. Ink Systems violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Mr. Medrano and other aggrieved employees all overtime compensation earned;

c. Ink Systems violated Labor Code §§ 226.7, 512, 558 and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Medrano and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Ink Systems violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Medrano and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Medrano and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

e. Ink Systems violated Labor Code § 226 by failing to furnish Mr. Medrano and other aggrieved employees with accurate and compliant itemized wage statements;

f. Ink Systems violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Medrano and other aggrieved employees;

g. Ink Systems violated Labor Code § 204 by failing to pay Mr. Medrano and other aggrieved employees all wages earned at least twice during each calendar month; and

h. Ink Systems violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Medrano and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Ink Systems if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

Paul K. Haines

cc: Ink Systems, Inc. (via certified mail)

UNITED STATES POSTAL SERVICE ®

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 04/27/2024

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8359 4514 70

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 04/26/2024 16:52

ORIGINAL INTENDED RECIPIENT:

INK SYSTEMS INC
C/O: MARK CURTIS
2311 S EASTERN AVE
COMMERCE CA 90040-1430

DH

UNITED STATES
POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 04/30/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8359 4514 70. Our records indicate that this item was delivered on 04/29/2024 at 10:26 a.m. in LOS ANGELES, CA 90040. The scanned image of the recipient information is provided below.

Signature of Recipient :

INK Systems

Address of Recipient :

2311 S. East

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

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INK SYSTEMS INC
C/O: MARK CURTIS
2311 S EASTERN AVE
COMMERCE CA 90040-1430

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