

1 MILLS SADAT DOWLAT LLP
Arash Sadat (SBN 279282)
2 Brigitte Mills (SBN 281098)
Camron Dowlatshahi (SBN 308618)
3 333 South Hope Street, 40th Floor
Los Angeles, CA 90071
4 Tel.: (213) 628-3856
Email: arash@msdlawyers.com
5 Email: brie@msdlawyers.com
Email: camron@msdlawyers.com

6 Attorneys for Plaintiff and Putative Class

7
8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF MENDOCINO**
10

11 VICTOR MARTINEZ, individually, and on
12 behalf of other members of the general public
similarly situated,

13 Plaintiff,

14 v.

15 STANFORD INN BY THE SEA ECO
16 RESORT, a fictitious business entity;
JEFFREY STANFORD, an individual;
17 JOAN STANFORD, an individual; and DOES
1 through 10, inclusive,

18 Defendants.
19
20
21
22
23
24
25
26
27
28

Case No. 24CV00539
Assigned to: Hon. Clayton Brennan

**CAMRON DOWLATSHAHI'S
DECLARATION IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

*[Filed with Motion for Preliminary Approval
of Class and Representative Action
Settlement, Declaration of Plaintiff Victor
Martinez, and [Proposed] Order]*

HEARING INFORMATION:

DATE: August 21, 2025

TIME: 2:00 p.m.

LOCATION: Ten Mile Branch

Complaint Filed: May 1, 2024

Trial Date: None Set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

16
17
18
19
20
21
22
23
24
25
26
27
28

25
26
27
28

28

1 6. On December 17, 2024, the Parties participated in an all-day mediation presided
2 over by Michael Mandel, Esq. which led to an agreement to settle the Action. The Parties (*i.e.*,
3 collectively Plaintiff and Defendants) engaged in good faith, arm's-length negotiations concerning
4 resolution of the Action.

5 7. During that negotiation, Defendants denied, and continue to deny, each of the
6 allegations asserted in the litigation, has repeatedly asserted and continues to assert defenses to
7 Plaintiff's claims and contentions, and expressly denied and continues to deny that they engaged
8 in any wrongdoing or have any liability arising out of any of the facts or conduct alleged in the
9 litigation. Nevertheless, on December 17, 2024, the Parties concluded, after considering the
10 sharply disputed factual and legal issues involved in this litigation, the risks associated with
11 further prosecution, the substantial benefits to be received pursuant to the compromise and
12 settlement of the Action and thus tentatively agreed upon terms to settle the litigation on a class
13 and representative basis.

14 8. Prior to mediation, Plaintiff's Counsel obtained, through informal discovery,
15 Stanford Inn's meal and rest break policies, correspondence regarding such policies, and clock-in
16 and clock-out records and payroll records for employees from May 2020 through March 2024.
17 Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v.*
18 *Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.*
19 (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar.* ")

20 9. In addition to informal discovery, Plaintiff's Counsel engaged in investigation and
21 discussions about the strengths and weaknesses of the claims and defenses of the Action, such as
22 obtaining a sampling of time and payroll records for putative class members and aggrieved
23 employees; the average hourly rate for putative class members and aggrieved employees; the
24 number of putative class members and aggrieved employees in certain time frames (including one
25 year before filing the Action); the number of shifts worked by putative class members;
26 Defendants' statements of wage-and-hour policies provided to putative class members and
27 aggrieved employees, including employee handbooks and meal and rest break policies, among
28 other things.

10. On February 13, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) and served an Amended PAGA Notice Letter to facilitate the proper release of all claims encompassed by the Settlement Agreement, thereby facilitating a comprehensive and enforceable resolution. A copy of Plaintiff’s Amended PAGA Notice to the LWDA is attached as **Exhibit 2**.

11. The Court has not granted class certification.

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

The Proposed Settlement

13. Subject to Court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, Plaintiff and Defendants have agreed to settle the Action by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is attached to this declaration as **Exhibit 3** hereto. A summary of the terms of the settlement are as follows:

- Defendants will stipulate, for the purposes of this settlement only, to certification of a class defined as: all persons employed by Defendants, in California and classified as an hourly, non-exempt employee who worked for Defendants during the Class Period of May 1, 2020 through the date Motion for Preliminary Approval is granted (the “Class Period” and each individual in the class a “Class Member”) (Exhibit 3 at ¶¶ 1.5, 1.9 and 1.12);
- Defendants shall pay \$525,000, which is referred to herein as the Gross Settlement Amount (Exhibit 3 at ¶ 1.22);
- An Individual Class Payment will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the Participating Class Member’s Workweeks worked (Exhibit 3 at ¶ 3.2.4);
- The Settlement Administration costs, not to exceed \$7,000.00, will be paid out of

the Gross Settlement Amount (Exhibit 3 at ¶ 3.2.3);

- Class Counsel will apply for, and Defendants will not oppose, attorneys' fees of up to \$174,982.50, which represents thirty-three percent (33%) of the Gross Settlement Amount, and actual Costs not to exceed \$15,000.00, all of which will be paid out of the Gross Settlement Amount (Exhibit 3 at ¶ 3.2.2);
- Class Counsel will apply for, and Defendants will not oppose, an enhancement award of not more than \$10,000.00 to the Class Representative, which will be paid out of the Gross Settlement Amount (Exhibit 3 at ¶ 3.2.1);
- All Participating Class Members will release Stanford Inn and all other Released Parties from all claims that were alleged in or reasonably could have been alleged based on the facts occurring during the Class Period, stated in the PAGA Notice or the Operative Complaint. Except as set forth in Exhibit 3 at ¶ 5.2 and 5.3, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside of the Class Period (Exhibit 3 at ¶¶ 5.2, 5.3);
- 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). Each Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for statutory and civil penalties, statutory or other non-wage damages, and interest (the "Non-Wage Portion"). Each Non-Wage Portion is not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment, excluding the Employer Payroll Taxes (Exhibit 3 at ¶ 3.2.4.1);
- Defendants has agreed to pay \$50,000.00 as PAGA penalties, seventy-five percent

(75%) or \$37,500.00 of which will be paid to the California Labor and Workforce Development Agency (“LWDA”) out of the Gross Settlement Amount, and twenty-five percent (25%) or \$12,500.00 of which will be distributed to Aggrieved Employees (Exhibit 3 at ¶¶ 3.2.5, 3.2.5.1) — all of which shall be paid out of the Gross Settlement Amount; and

- Participating Class Members will have one hundred eighty (180) days from the date of issuance of the check to cash their check. The Administrator will cancel all checks not cashed by the void date. For any check uncashed or cancelled after the void date, the Administrator shall transmit the funds represented by such checks to California State Bar Justice Gap Fund (Exhibit 3 at ¶ 4.4.1, 4.4.3).

Settlement Agreement and Accompanying Documents

14. Attached hereto as **Exhibit 3** is a true and correct copy of the Settlement Agreement fully executed by the Parties.

15. Attached to the Settlement Agreement as **Exhibit A** thereto is the proposed Notice of Pendency of Class Action Settlement and Final Hearing (“Class Notice”) to be distributed to the class members in English and Spanish.

16. The Parties have agreed to use ILYM Group Inc., an experienced Settlement Administrator, to administer the settlement.

17. The Parties have agreed that the administration costs, not to exceed \$7,000, will be paid out of the Gross Settlement Amount.

18. On or about July 11, 2025 Plaintiff’s counsel submitted a copy of the Class Action Settlement Agreement to the California Labor and Workforce Development Agency (“LWDA”) in compliance with Labor Code section 2699, subdivision (1)(2). A true and correct copy of the confirmation from the LWDA in connection with Plaintiff is attached hereto as **Exhibit 4**.

The Circumstances of The Settlement Support Preliminary Approval

19. I believe that the Settlement that has been reached, subject to this Court’s approval, is the product of substantial effort by the Parties and their counsel. The settlement was reached after extensive factual and legal investigation and research, a review of pleadings, informal

1 discovery, exchanges of documents and information, review of Defendants' employment policies,
2 discussions with putative class members regarding Defendants' wage practices, correspondence
3 and negotiation between counsel, a full day of mediation, review of evidence and rulings in similar
4 actions litigated elsewhere in the state, and a review of similar cases in the same industry
5 elsewhere in the country.

6 20. The settlement amount is, of course, a compromise figure. It considered the risks
7 related to liability, damages, and all the defenses asserted by Defendants.

8 21. Plaintiff's Counsel asserts that the wage and hour claims and the claims for
9 resulting penalties would be certified. On the other hand, Defendants argued that Plaintiff cannot
10 meet the requirements of class certification, as they claim that any wage discrepancies are not the
11 product of an overarching policy or practice that was uniformly applied; that compliant meal and
12 rest periods were made available; that Stanford Inn did not deter employees from taking meal and
13 rest periods; and that Stanford Inn's meal and rest period policies were compliant.

14 22. I am informed and believed that Stanford Inn further contends that class
15 certification would not be warranted because individual liability issues predominate any class
16 allegations.

17 23. While Plaintiff and I believe in Plaintiff's chances of success of certifying the
18 claims if permitted, I recognize the potential risk, expense, and complexity posed by litigation on a
19 class basis.

20 24. I am informed and believe that litigating Plaintiff's claims in this Action – claims
21 that involve numerous Class Members during the Class Period working with Stanford Inn – would
22 require substantial preparation and discovery and ultimately would involve the deposition and
23 presentation of numerous more witnesses (including Class Members and expert witnesses), as well
24 as the consideration, preparation, and analysis of expert reports. Therefore, I am informed and
25 believe that further class litigation, if permitted, would have carried with it significant expense
26 incurred by each side (above and beyond the tens of thousands of dollars of expenses already
27 incurred).

1 25. I am informed and believe that Stanford Inn has a credible position on liability in
2 this case. Stanford Inn denies any wrongdoing of any kind associated with the claims alleged in
3 the Action, and further denies that, for any purpose other than that of settling this lawsuit, the
4 allegations in the Action are appropriate for class treatment.

5 26. I am informed and believe that in light of the sharply contested legal and factual
6 issues, the risks of continued litigation, and substantial benefits to Class Members under the
7 Settlement, the terms and conditions of this class settlement are fair and reasonable to all sides.

8 **The Settlement Amount Is Well Within the Range of Reasonableness**

9 27. I believe that the settlement amount reached in this case provides significant
10 recovery to participating class members based on the circumstances and falls within the range of
11 reasonableness.

12 28. The financial remedies available to the Class stem from damages and/or penalties
13 for the claims for unpaid wages and meal and rest break violations. The following outlines my
14 firm's estimation of the maximum potential value of these claims and any basis for the discounting
15 thereof.

16 **Missed Meal Breaks:**

17 29. The allegation that Defendants deprived class members of meal and rest periods
18 was the driving force of this litigation.

19 30. In Plaintiff's experience, Defendants failed to ensure that Class Members took
20 timely, uninterrupted off-duty meal breaks. Class Members were often unaware of their
21 entitlement to a thirty-minute meal period and, like Mr. Martinez, were routinely required to find
22 their own shift coverage if they wished to take a break. Even when Class Members clocked out,
23 they were frequently interrupted and required to continue working during some or all of their meal
24 periods. Further, Defendants did not ensure the timeliness of such lunches, i.e. a 30-minute break
25 after the 5th hour of work.

26 31. I am informed and believe that Defendants contend, in defense, that each of the
27 potential issues is individualized and there is no uniform pattern or practice of depriving
28 employees of meal or rest breaks meriting class certification.

32. Based on Defendants' analysis of the available payroll records, it was determined that the number of workweeks in which meal periods could be missed was as high as 18,884. Using this information and data provided by Defendant, an average (weighted) hourly wage of \$21.11 during the class period, and assuming a 100% violation rate (*i.e.*, that each Class Member missed at least one meal break on each of the shifts worked during the Class Period), Defendant's would be liable for about \$782,790. Even assuming a conservative violation rate of 20% (*i.e.*, each Class Member missed one meal break for every five shifts worked during the Class Period), the liability exposure possible for this claim could exceed \$156,558 over the Class Period.

Missed Rest Breaks:

33. In Plaintiff's experience, Class Members were unable to take timely rest breaks because Stanford Inn simply did not have a policy that appreciated California's requirement to provide rest breaks. Defendants never told Mr. Martinez off-duty rest breaks were required by law, and if he attempted to take a break, Stanford Inn instructed him to find another employee to cover his shift. However, in practice, shifts were rarely covered, and Stanford Inn failed to keep track of rest breaks. Instead, Defendants instituted a per se company-wide violative rest break policy, which required employees to use their rest breaks to travel to different locations on site where they would be needed.

34. I am informed and believe that Defendants contend that they have maintained throughout the Class Period compliant rest period policies; that compliant rest breaks always were made available to Class Members always took their rest breaks; and that individual issues predominate as to why rest periods were not taken (if not taken).

35. Plaintiff estimated a 100% violation rate for missed rest breaks (*i.e.*, that each Class Member missed at least one rest break on each of the shifts worked during the Class Period).

36. The average hourly wage of the 196 Class Members is approximately \$21.11. This means that the Class members were owed approximately \$105.55 per week in premium pay for rest breaks alone ($\$21.11 \times 5$ [one missed rest break each day]) and about \$5,488 per year. Assuming a 100% violation rate, this leads to \$1,179,360 in exposure for rest break premiums ($\$5,488 \times 4$ years $\times$ 196 class members).

1 37. Even under a highly conservative 25% violation rate, Defendants' exposure for rest
2 break premiums would total approximately \$294,840.

3 **Recovery of Penalties:**

4 38. Plaintiff contends that he and Class Members would have been entitled to recover
5 penalties for Stanford Inn's failure to issue compliant wage statements under California Labor
6 Code section 226, subdivision (e) and for Stanford Inn's failure to issue all earned wages
7 immediately upon termination or within 72 hours of resignation under California Labor Code
8 sections 201, 202, and 203. The penalties are derivative of the wage and hour claims. As a result
9 of Stanford Inn's alleged failure to provide compliant wage statements each pay period, each
10 aggrieved employee could recover up to a maximum of \$4,000.00 aggregate penalty pursuant to
11 Labor Code section 226, subdivision (e), depending on the number of pay periods he or she was
12 issued a non-compliant wage statement. As a result of Stanford Inn's alleged failure to pay all
13 earned wages immediately upon termination or within 72 hours of resignation, each former
14 employee could recover up to a maximum of a 30-day penalty.

15 39. However, there are certain inherent risks associated with these claims. With respect
16 to the wage statement claim, it commands a one-year statute of limitations period, which would
17 significantly weigh on this claim. With respect to the waiting time penalty claim, Plaintiff
18 anticipates that Stanford Inn would argue that the Labor Code requires that there be a willful
19 showing that the employer knew of its obligation and intentionally refused to act. *Naranjo v.*
20 *Spectrum Security Services* (2022) 13 Cal.5th 93, 126.)

21 **PAGA Penalties:**

22 40. Plaintiff also alleged that Defendants' conduct created liability under the Labor
23 Code Private Attorney General Act ("PAGA").

24 41. PAGA claims are extraordinarily difficult to evaluate because there are several
25 obstacles to the actual award of the civil penalty. First, it is arguably unclear whether penalties
26 continue to accrue until the court finds a violation to exist. Second, Labor Code § 2699(e)(1) and
27 (2) give trial courts immense discretion to access or lower the penalty amount. Indeed, several
28 courts have exercised their broad discretion and have dramatically limited PAGA awards. Third,

defendants routinely argue that, when other statutory penalties have been imposed, additional penalties under PAGA are unjust (*e.g.*, in cases where damages are already “in play” based on underlying wage violation claims, as we have here).

42. Thus, while the PAGA calculation herein for approximately 3,459 pay periods could reach \$419,600, the likelihood of that sum ever being awarded, or anything even close to it, is extremely slim. Despite this potential recovery, given that PAGA penalties would likely be deemed duplicative of other penalties awardable here, given the extreme “haircuts” many courts are giving to PAGA penalties and given the presence here of class action allegations (the absence of which often being the reason so-called “Plan B” PAGA penalties are sought to begin with), PAGA penalties were discounted.

43. Nevertheless, the amount of PAGA civil penalties to be paid from the Gross Settlement Amount is fair to those affected, and is allocated at twenty-five percent (25%) to the aggrieved employees (\$12,500.00) and seventy-five percent (75%) to LWDA (\$37,500.00).

Gross Settlement Amount:

44. My firm obtained a Gross Settlement Amount of \$525,000.00. This Gross Settlement Amount represents a significant recovery. I believe this to be a fair, reasonable and adequate settlement for class members, when considering all issues and risks related to liability, the hurdles to class certification and considering the case law regarding fair, reasonable, and adequate settlements. *See, e.g., Officers for Justice v. Civil Service Comm'n* (9th Cir. 1982) 688 F.2d 615, 628 (“[i]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not . . . render the settlement inadequate or unfair”).

45. My opinion that this settlement represents a result well within the range of reasonableness for the class is based on its weighing of the maximum possible recovery against the strengths of the defenses to class certification, liability, and damages as outlined herein. Regarding the claims under the PAGA, I believe the allocation is reasonable based upon my analysis of the claims in the Action and the relative role of the LWDA and the discretion courts possess, and typically exercise, to reduce PAGA penalties.

//

//

The Proposed Attorneys' Fees and Costs Are Reasonable

46. Plaintiff's Counsel seeks an attorneys' fees award of \$174,982.50, which is thirty-three percent (33%) percent of the Gross Settlement Amount, and costs not to exceed \$15,000. I believe the requested fee falls well within the historical range of attorneys' fees awards under the common fund theory, which is generally from 25% to 50%.

47. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis.

48. Indeed, this case was litigated over years with conflict between counsel, including regarding whether penalties could be obtained for aggrieved employees in the form of unpaid wages; and the approximate number of class members/violations.

49. Moreover, when information was obtained through informal means, extensive work was performed by my firm, including: review of voluminous time and pay records (in conjunction with putative class members), interviews of several putative class members; and analyses regarding the certifiability and merits of each of Plaintiff's claims, the merits of those claims, and what damages would be recoverable. Additionally, tens of thousands of dollars were expended, including in filing fees, retention of statisticians, and to attend mediation to try to resolve this Action.

50. As Plaintiff's Counsel, my firm bore, and continues to bear, the entire risk and cost of litigation associated with this class action on a pure contingency basis.

51. The factual and legal issues posed in this case were evolving and difficult, particularly in light of the disputes between the Parties regarding discovery and the purported arbitration agreements. My firm has expended hundreds of hours on this matter, including:

- the investigation of the matter;
- seeking informal discovery from Defendants, including written policies, time records, and pay records;
- meeting and conferring regarding mediation, and negotiating with opposing counsel regarding the parameters thereof;

- analyzing written policies produced by Defendants;
- analyzing time and payroll records (in conjunction with Class Members) produced by Defendants;
- analyzing other documents (including Class Members' wage information and meal and rest break policies) produced by Defendants;
- attendance at mediation;
- negotiating and finalizing a long form settlement agreement;
- preparing a draft class notice and obtaining bids for administration;
- filing the PAGA Notice Letter and Amended PAGA Notice Letter;
- filing the Complaint and First Amended Complaint in this Action; and
- preparing the instant Motion for Preliminary Approval.

52. Further efforts will be necessary for preliminary and final approval.

53. Based on my past experience in wage and hour class action litigation, I believe that my office is very likely to be called upon, after the Class Notice has been sent, to expend substantial amounts of additional time to help Class Members understand the terms of the proposed settlement, and to assist Class Members in the preparation and documentation of their claims.

54. I also believe it to be likely that, even after final approval of the settlement has been granted, my office will be called upon to expend additional amounts of time in the presentation and resolution of contests and disputes relating to Class Members' claims under the terms of the proposed settlement, as to the amounts of individual claims and perhaps other individual issues.

55. Finally, I believe that my office will have to work with the Settlement Administrator to submit a report to this Court regarding the distribution plan pursuant to Code of Civil Procedure section 384 along with a proposed amended judgment, which will require further time and cost to be expended.

56. I graduated with a Bachelor of Arts degree with a major in Political Science from Purdue University in 2011. I received my Juris Doctorate from New York University School of

1 Law in 2015. I became an Active Member of the State Bar of California in 2016 and have been an
2 Active Member in good standing continuously since.

3 57. After graduating from law school, I worked as an associate at the global law firm
4 White & Case LLP, where I represented clients in complex civil litigation, including in class
5 actions. I then worked for Loeb & Loeb LLP, another global law firm, where I continued working
6 as a complex civil litigator, including in class and PAGA actions. I joined Mills Sadat Dowlat LLP
7 as a partner in 2021.

8 58. My current practice primarily involves employment law and advocating for the
9 rights of employees in wage-and-hour litigation through class and representative actions

10 59. My hourly rate is \$850. Many of Mills Sadat Dowlat LLP's hourly clients pay this
11 hourly rate for my work.

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

14 61. Currently, my firm is acting as counsel in at least 80 wage and hour individual
15 actions and 16 wage and hour class actions.

16 62. In addition to the present case, Mills Sadat Dowlat LLP currently serves as lead
17 class counsel in multiple pending wage-and-hour class and representative actions across various
18 California jurisdictions. The firm is presently litigating several complex matters on behalf of
19 workers statewide, including: *Frank, et al. v. Golf and Tennis Pro Shop*, Case No. CVRI2401197
20 (Riverside County Superior Court, class size approx. 470); *To v. Intuitive Surgical, Inc.*, Case No.
21 24CV449420 (Santa Clara Superior Court, class size approx. 2,073); *Nations v. SAS Retail*
22 *Services LLC*, Case No. C23-00122 (Contra Costa County Superior Court, class size approx. 178);
23 *Zhou v. Golden Bridge International Logistics, LLC*, Case No. 24STCV05766 (Los Angeles
24 Superior Court, class size approx. 63); *Briones v. Shengyun LLC*, Case No. 30-2024-01388222-
25 CU-OE-CXC (Orange County Superior Court); and *Marshall v. Tailored Shared Services, LLC*, et
26 al., Case No. CIVSB2332636 (San Bernardino Superior Court). These matters reflect our firm's
27 ongoing commitment to representing employees in high-stakes wage-and-hour litigation
28 throughout the state.

1 63. I worked on this case with my partner, Arash Sadat. Mr. Sadat has been licensed to
2 practice law in California since 2011. He received his Bachelor of Arts degree in Sociology from
3 the University of California, Santa Barbara in 2004 and graduated cum laude from Loyola Law
4 School, Los Angeles. From 2011 through 2016, he worked as an associate at White & Case LLP,
5 a global law firm ranked in the AmLaw 10, where he specialized in complex commercial litigation
6 and white-collar defense. While at White & Case LLP, he represented clients in a variety of
7 business disputes, including in jury trials and arbitrations. Thereafter, he worked as an associate at
8 Brown White & Osborn LLP, a Southern California litigation boutique. In 2017, he founded Sadat
9 Law Group (now known as MSD). MSD specializes in employment litigation, business disputes,
10 and probate litigation.

11 64. Over his 13 years of litigation practice, Mr. Sadat has represented clients such as
12 Gerber Products Company, Nestlé USA, Comcast Corporation, LA Fitness International LLC, and
13 the Houston Rockets professional basketball franchise in business and consumer class action
14 litigation in various jurisdictions across the country. He has also represented clients in various
15 high-profile matters including in post-judgment proceedings in *Log Cabin Republicans v. United*
16 *States*, et al., No. 2:04-cv-08425 (C.D. Cal.), a case in which the trial court struck down on
17 constitutional grounds the congressionally enacted “Don’t Ask, Don’t Tell” policy concerning
18 LGBTQ+ servicemembers in the military. While a partner at MSD, Mr. Sadat has represented
19 employees in hundreds of employment actions and has also represented clients such as Target
20 Corporation and the Government of Japan, in addition to numerous other businesses in litigation in
21 California and elsewhere. His hourly rate is \$850, and many of MSD’s hourly clients pay this rate
22 for his work.

23 65. California courts have previously approved the rates charged by Mr. Sadat. *See*,
24 *e.g.*, *147-151 W. 25th St., LLC v. GRG Collective, et al.* (Los Angeles Super. Ct. June 5, 2023)
25 Case No. 19STCV07425; *Johnson v. Reliant Property Management, Inc.* (Solano County Super.
26 Ct. May 22, 2023) Case No. FCM176825.

1 66. Under my supervision, Mir Raza, an associate attorney at Mills Sadat Dowlat LLP,
2 assisted in litigating the case and drafting the Motion for Preliminary Approval of Class and
3 Representative Action Settlement.

4 //

5 67. Mr. Raza graduated magna cum laude from the University of California, Los
6 Angeles, with a Bachelor of Arts in Political Science and a minor in History in 2019. He earned
7 his Juris Doctor from Loyola Law School, Los Angeles in 2024. During law school, Mr. Raza
8 served as a law clerk for multiple government agencies, including the Los Angeles County
9 Counsel's Office, the Federal Public Defender's Office for the Central District of California, and
10 the National Labor Relations Board.

11 68. Mr. Raza became an Active Member of the State Bar of California in November
12 2024 and has been an Active Member in good standing continuously since. Mr. Raza is an
13 associate attorney at Mills Sadat Dowlat LLP and represents employees in all aspects of
14 employment litigation, including wage-and-hour class and representative actions involving claims
15 related to unpaid wages, meal and rest break violations, inaccurate wage statements, the California
16 Private Attorneys General Act, and unfair business practices. Mr. Raza's hourly rate is \$400.

17 69. Under my supervision, Isabella Fiorentino, a paralegal employed by Mills Sadat
18 Dowlat LLP, also assisted in preparing the Complaint and Motion for Preliminary Approval of
19 Class Action Settlement. Ms. Fiorentino graduated cum laude from the University of
20 Pennsylvania, College of Arts and Sciences with a Bachelor of Arts in Philosophy, Politics, and
21 Economics and minors in Ancient History and Legal Studies and History from the College of Arts
22 and Sciences and Wharton School, respectively. Ms. Fiorentino has been employed by MSD since
23 2023 and has nearly three years of experience in litigation support, specializing in matters relating
24 to business litigation, employment actions, and personal injury. Ms. Fiorentino's hourly rate is
25 \$250.

26 70. My firm has also reasonably incurred \$12,182.89 in litigation costs. Such costs
27 were reasonably incurred because they were actually incurred and required to prosecute this
28 Action. For example, they include, but are not limited to, the complaint filing fee and mediation

1 fee. The complaint filing fee was required for Plaintiff to initiate this Action, and the mediation
2 fee facilitated the Parties' settlement discussions, which ultimately led to the Agreement. The
3 Parties have agreed to reimbursement of litigations costs not to exceed \$15,000.00, and any un-
4 awarded litigation costs shall be allocated to the Net Settlement Amount by the Administrator.

5 71. The risk undertaken by my office in prosecuting this matter has been substantial.
6 Specifically, if we had not succeeded in resolving this class action, we would have received no
7 compensation for the considerable time and effort devoted to litigating the case. The risk of non-
8 payment in these types of matters is very real and not uncommon. Additionally, dedicating
9 resources to this case limited our ability to take on other matters that may have offered a higher
10 likelihood of recovery with less risk.

11 72. Since most individuals cannot afford to retain counsel on an hourly basis, MSD
12 represents the vast majority of its employment law clients on a contingency fee basis. Under this
13 arrangement, we do not receive compensation unless we prevail at trial or secure a settlement for
14 our clients.

15 73. Mills Sadat Dowlat LLP assumes the risk that we will not be compensated for our
16 time or costs unless we obtain a successful outcome for our client. For this reason, it would not be
17 sustainable for us to represent employees on a contingency basis if we were only awarded our
18 standard hourly rates following a successful outcome. To remain viable and continue representing
19 workers in employment matters, it is essential that we recover more than our hourly rates in cases
20 where we prevail.

21 74. Thus, the Court should preliminarily approve the requested attorneys' fees and
22 costs, which are justified by the results achieved, the complexity of the issues, the difficulty of the
23 case, and the great risk undertaken by Class Counsel.

24 75. I believe the fees and costs requested are justified by the results achieved, the
25 complexity of the issues, the difficulty of the case, and the great risk undertaken by my firm.

26 76. I believe the requested attorneys' fees and costs will not be opposed by Defendants
27 and are well within established guidelines.

28 **Conditional Certification for Settlement Purposes**

1 **Numerosity**

2 77. While as few as ten class members can be sufficiently numerous, Defendants
3 identified far more (*i.e.*, 196) putative Class Members.

4 78. I believe this number exceeds the minimum number of individuals required to meet
5 the numerosity requirement.

6 **Ascertainability**

7 79. Because all Class Members are Defendants' current and former employees, I
8 believe the class is readily ascertainable from Defendants' regular business records (*i.e.*, payroll
9 records.)

10 **Commonality**

11 80. In this litigation, common issues included, without limitation, whether Defendants
12 violated applicable wage and hour laws, *i.e.*, failed to provide hourly, non-exempt employees
13 uninterrupted meal and rest periods or compensation in lieu thereof

14 81. I believe that because there are common issues at play, the commonality
15 requirement is satisfied for purposes of settlement.

16 **Typicality**

17 82. Plaintiff's claims are precisely the same as those of the class he seeks to represent:
18 like other Class Members, he was employed by Defendants during the relevant time period as an
19 hourly, non-exempt employee. Plaintiff alleges that Defendants failed to provide him with
20 uninterrupted meal and rest periods or compensate him with premium pay, and that these same
21 unlawful wage and hour policies and practices were uniformly applied to other hourly, non-exempt
22 employees.

23 83. I believe therefore that Plaintiff's claims are thus typical of those of other Class
24 Members.

25 **Adequacy of Representation**

26 84. I believe that no conflicts, disabling or otherwise, exist between the Class
27 Representative and Class Members because Plaintiff has been damaged by the same alleged
28 conduct (*i.e.*, Defendants failed to provide uninterrupted meal and rest periods, failed to pay

premium pay, etc.) and thus has the incentive to fairly represent all Class Members' claims to achieve the maximum possible recovery.

85. My firm consists of experienced attorneys who have a successful track record in litigating wage and hour cases and other class actions.

86. After a thorough investigation and settlement discussions, the Parties arrived at terms that they viewed as being in the best interest of both the Class Members and the Parties.

87. I am informed and believe that Plaintiff's goals have been realized via redress for the employees whose wage and hour rights were violated.

88. While I am informed and believe that Defendants deny liability, they have nonetheless agreed to settle the matter to avoid any potential expense.

89. Should the Court refuse to grant preliminary approval of this Settlement, I am informed and believe that many of the Class Members may be denied any recourse for Defendants' alleged violations.

Superiority of the Class Action

90. I believe that this wage and hour class action meets all the criteria to deem it a superior vehicle for resolution of the issues it seeks to resolve. First, it pertains to a purported uniform practice, including Defendants allegedly not making meal and rest breaks available to hourly, non-exempt employees and not paying meal and rest break premiums for missed meal and rest breaks, which allows claims of many individuals to be resolved at the same time, eliminates the possibility of repetitious litigation and affords small claimants with a method of obtaining redress for claims which otherwise would be too insufficient to warrant individual litigation. It is also brought by a former employee who is not at as great a risk of retaliation as current employees who are less likely to seek such redress for themselves.

91. I am not aware of any other action against Defendants brought on an individual basis for redress, which would appear to signal that putative class members have little interest in personally controlling their claims.

92. I believe that a class action would also eradicate the concern of any inconsistent rulings.

1 93. I believe that because the class action meets all criteria for certification and a lesser
2 standard of scrutiny applies when evaluating these criteria for settlement purposes.

3 //

4 //

5 **The Proposed Enhancement Award to Plaintiff as Class Representative Is Reasonable**

6 94. I believe that Plaintiff is entitled to an enhancement award for his service as class
7 representatives, for answering extensive questions by Class Counsel, being available by phone
8 during mediation, and the risk in being the named plaintiff. Additionally, he will be providing
9 Defendants a general release of all claims in exchange for the enhancement award.

10 95. I am informed and believe that Defendants do not oppose the requested
11 enhancement to Plaintiff. Plaintiff devoted a great deal of time assisting Class Counsel in this
12 case, communicated with counsel frequently, and was a valuable participant in the strategy for and
13 success of the mediation. Plaintiff risked intrusive discovery and the payment of employer costs.

14 96. In my experience, the typical enhancement award in wage and hour class actions
15 ranges from approximately \$10,000.00 to \$40,000.00, although some awards are higher. In
16 contrast, Class Counsel seeks a very reasonable amount – not more than \$10,000.00 to the Named
17 Plaintiff for his service.

18 97. The Declaration of Plaintiff Victor Martinez in support of the requested
19 enhancement award is concurrently filed with this Motion.

20 **The Proposed Class Notice Is Adequate**

21 98. Trial courts have wide discretion in fashioning an appropriate class notice. (*Cartt v.*
22 *Superior Court* (1975) 50 Cal.App.3d 960, 973-74.) “In regard to the contents of the notice, the
23 notice given to the class must fairly apprise the class members of the terms of the proposed
24 compromise and of the options open to dissenting class members. . . . As a general rule, [the] class
25 notice must strike a balance between thoroughness and the need to avoid unduly complicating the
26 content of the notice and confusing class members.” (*Wershba v. Apple Computer, Inc.* (2001) 91
27 Cal.App.4th 224, 251-52 (citation omitted).) Apart from case law, the California Rules of Court
28

1 provide further guidance on the contents of a class notice. (*See Cal. Rules of Court*, Rule 3.766(d)
2 and Rule 3.769(f).)

3 99. Here, the proposed Class Notice approved by the Parties is attached as **Exhibit A** to
4 Settlement Agreement and meets all of the necessary criteria. The proposed Class Notice provides
5 Class Members with an explanation of the case, how their individual settlement payments will be
6 calculated, their option to participate in the Settlement, object to it, or exclude themselves along
7 with the corresponding deadlines, their option to hire an attorney if they desire or appear without
8 an attorney, the date of the final fairness hearing (which will be inserted in the materials once the
9 date is set by the Court), and the binding effect of final approval for those individuals who do not
10 exclude themselves from the Settlement. The proposed Class Notice also provides the contact
11 information for Class Counsel and the Settlement Administrator should Class Members have any
12 questions.

13 100. I believe that the proposed Class Notice meets all the requirements specified in the
14 California Rules of Court, provides “sufficient information” about the Settlement and Class
15 Member options, and therefore, merits Court approval.

16
17 I declare under penalty of perjury under the laws of the State of California that the
18 foregoing is true and correct on July 28, 2025, at Los Angeles, California.

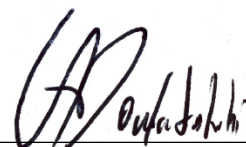
19
20
21 
22 _____
23 Camron Dowlatshahi
24
25
26
27
28

EXHIBIT 1

April 18, 2024

**VIA ELECTRONIC SUBMISSION;
VIA CERTIFIED MAIL AND EMAIL TO OPPOSING PARTY**

California Labor and Workforce Development Agency
Attn: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Standford Inn By The Sea Eco Resort
P.O. Box 487
Mendocino, CA 95460

Re: Notice of Claim Under Private Attorneys General Act ("PAGA")

To Whom It May Concern:

My firm represents Victor Martinez ("Plaintiff") and all other aggrieved employees who intend to file an action against Standford Inn By The Sea Eco Resort ("Defendant" or "Standford Inn") in connection with Defendant's violations of the California Labor Code. This letter shall serve as notice, and a request, pursuant to Labor Code section 2699.3, *et seq.* ("PAGA"), that the Labor and Workforce Development Agency ("LWDA") investigate the violations by Defendant described herein against Plaintiff and other current and/or former employees. If LWDA does not intend to investigate the violations described herein, we respectfully request that the agency specifically notify our office of the same at your earliest possible opportunity.

Statement of Specific Provisions of the Labor Code Violated

Plaintiffs intend to prosecute a civil action against Defendant for violations of Labor Code sections 226, subdivision (a), 226.7, 512, and 558.

Facts and Theories in Support of Violations

Defendant is a resort and is registered to do business in the State of California. Defendant employed Plaintiff from on or about November 2013 to December 1, 2023. Plaintiff worked as host and cook.

Defendant willfully ignored California meal and rest break laws and instituted a policy where Plaintiff was not allowed rest breaks and frequently missed meal breaks, or had meal breaks interrupted. Plaintiff was issued inaccurate wage statements, which failed to list premium pay. Plaintiff is informed and believes, and on that basis alleges, that Defendant failed to notify other employees of their premium pay for each payroll period. Further, Plaintiff is informed and

believes, and on that basis alleges, that Defendant failed to notify other employees of their accrued sick time for each payroll period.

Failure to Provide Accurate Wage Statements

Pursuant to Labor Code section 226 (“Section 226”), subdivision (a), an employer is required to provide itemized wage statements. Plaintiff was issued inaccurate wage statements, which failed to list premium pay and all hours worked. Plaintiff is informed and believes, and on that basis alleges, that Defendant failed to notify other employees of their premium pay for each payroll period.

Penalties for Unpaid Wages

Pursuant to Labor Code section 558, subdivision (a), and employer who violates “any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty.” (Lab. Code § 558, subd. (a).)

An employer’s initial violation is subject to a “fifty dollar penalty (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” *Ibid.* Thereafter, each subsequent violation is subject to a penalty of “one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” *Ibid.*

Here, Defendant’s personnel were consistently asked to clock-out before their daily tasks were completed. Yet, Defendant required Plaintiff and his coworkers to stay to complete tasks after they had clocked out. Defendant purposely asked its personnel to work off-the-clock to avoid paying earned overtime and/or other straight time wages. Defendant is therefore liable for civil penalties under section 558, subdivision (a).

Unlawful Failure to Provide Uninterrupted Off-Duty Meal and Rest Periods

Plaintiff and similarly situated employees regularly worked in excess of five hours per day without being provided at least one half-hour meal period in which they were relieved of all duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.) Plaintiff and similarly situated employees also regularly worked in excess of four hours without being provided at least a ten-minute rest period in which they were relieved of all their duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.)

Throughout Plaintiff’s employment, he was not able to take uninterrupted off-duty meal and rest periods in accordance with Labor Code. Defendant did not maintain a policy that ensured Plaintiff received requisite meal and rest periods until the final months of Plaintiff’s employment. Furthermore, Defendant caused Plaintiff to miss meal and rest periods and failed to pay him the premium compensation mandated by Labor Code section 226.7, subdivisions (b)-

(c). As a result of these Labor Code violations, Defendant is liable for civil penalties. (Lab. Code § 2698, *et seq.*)

Conclusion

As described above, Defendant has violated numerous wage and hour provisions of the Labor Code. As a result, Defendant is liable to Plaintiff and other current and former employees for civil penalties, attorney's fees, and costs, pursuant to Labor Code sections 226, subdivision (a), 226.7, 512, and 558.

This letter shall serve as Plaintiff's notice pursuant to Labor Code section 2699.3 and we ask that LWDA conduct an investigation concerning the violations described herein. Alternatively, if LWDA does not intend to investigate these violations, we ask that it issue a notification letter to our office confirming the same so that we may proceed with our civil action asserting the PAGA claims described herein.

Please feel free to contact me if you have any questions or if you would like to discuss this matter further. Nothing in this letter is intended to be, or should be construed as, an admission against the interests of Plaintiff or other current or former employees of Defendant and shall not be construed as a waiver of their rights, remedies, claims, or defenses, all of which are expressly reserved.

Sincerely,



Camron Dowlatshahi

cc: Cheryl Schreck <cschreck@fisherphillips.com>

EXHIBIT 2



333 South Hope Street
40th Floor
Los Angeles, CA 90071
www.msdlawllp.com

Camron Dowlatsahi
O: +1 213 628 3856
D: +1 213 279 2612
E: camron@msdlawllp.com

February 13, 2025

**VIA ELECTRONIC SUBMISSION;
VIA CERTIFIED MAIL AND EMAIL TO OPPOSING PARTY**

California Labor and Workforce Development Agency
Attn: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Stanford Inn By The Sea Eco Resort
P.O. Box 487
Mendocino, CA 95460

Re: Amended Notice of Claim Under Private Attorneys General Act (“PAGA”)

To Whom It May Concern:

This letter is an amended notice to Case No. LWDA-CM-1023195-24.

My firm represents Victor Martinez (“Plaintiff”) and all other aggrieved employees who intend to file an action against Stanford Inn By The Sea Eco Resort (“Defendant” or “Stanford Inn”) in connection with Defendant’s violations of the California Labor Code. This letter shall serve as notice, and a request, pursuant to Labor Code section 2699.3, *et seq.* (“PAGA”), that the Labor and Workforce Development Agency (“LWDA”) investigate the violations by Defendant described herein against Plaintiff and other current and/or former employees. If LWDA does not intend to investigate the violations described herein, we respectfully request that the agency specifically notify our office of the same at your earliest possible opportunity.

Statement of Specific Provisions of the Labor Code Violated

Plaintiffs intend to prosecute a civil action against Defendant for violations of Labor Code sections 201-203, 204, 226, subdivision (a), 226.3, 226.7, 246, 510, 512, 558, 1182, 1194, 1197, 1198, and 2802.

Facts and Theories in Support of Violations

Defendant is a resort and is registered to do business in the State of California. Defendant employed Plaintiff from on or about November 2013 to December 1, 2023. Plaintiff worked as host and cook.

Defendant willfully ignored California meal and rest break laws and instituted a policy where Plaintiff was not allowed rest breaks and frequently missed meal breaks, or had meal breaks interrupted. Plaintiff was issued inaccurate wage statements, which failed to list premium pay.

Plaintiff is informed and believes, and on that basis alleges, that Defendant failed to notify other employees of their premium pay for each payroll period. Further, Plaintiff is informed and believes, and on that basis alleges, that Defendant failed to notify other employees of their accrued sick time for each payroll period.

Failure to Pay For Hours Worked, Including Overtime

Pursuant to Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) wage order, employers are required to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of one-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC wage order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee including nondiscretionary bonuses and commissions.

During the relevant time period, upon information and belief, Defendant failed to pay overtime wages to Plaintiff and other aggrieved employees for all overtime hour worked in violation of Labor Code sections 510 and 1198. Plaintiff and other aggrieved employees are entitled to recover civil penalties, attorneys’ fees, costs, and interest thereon, pursuant to Labor Code sections 1194, 1197.1 and/or 2699(a), (f)(-)(g). Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including all overtime wages. Plaintiff and the Aggrieved Employees received bonuses, incentive compensation, and other remuneration. However, Defendant failed to incorporate all remuneration when determining the correct overtime rate of pay, meal break premium rate of pay, and sick day rate of pay, leading to underpayment of compensation.

Also throughout the statutory period, Plaintiff and the Aggrieved Employees regularly worked off-the-clock, without compensation. Additionally, Defendant assigned heavy workloads and understaffed its shifts, resulting in Plaintiff and the Aggrieved Employees being forced to respond to work-related questions and perform work duties while off the clock. As a result, Plaintiff and the Aggrieved employees performed these work tasks off-the-clock and were not compensated for this time worked. In maintaining a practice of not paying all wages owed, Defendant failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1194, 1197.1, and 2699(0)(2) for failing to pay for all hours worked, including overtime. Plaintiff also specifically alleges that Defendants engaged in improper rounding and employees were not paid accurately.

Wage Theft

Plaintiff is further informed and believes, and based thereon alleges that Defendant failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing



to provide Plaintiff and other Aggrieved Employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Defendant, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Plaintiff is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Defendant to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Plaintiff is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Plaintiff is informed and believes that Plaintiff violated Labor Code sections 1198 and 2810.5. Defendant would further be liable for civil penalties pursuant to Labor Code section 2699(f)(2)(B)(ii).

Vacation Pay

Plaintiff is informed and believes, and based thereon alleges that Defendant had and has a policy or practice of failing to pay its employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. Defendant would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558, 1198 and 2699, or injunctive relief under sections 2699(e)(1) and 2699(k).

Sick Pay

Plaintiff is further informed and believes, and based thereon alleges, that Defendant has or had a policy or practice of failing to provide aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Plaintiff is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Plaintiff is further informed and believes that Defendant also did not permit its use upon request by aggrieved employees as contemplated under California and local laws, including, without limitation, under Labor Code section 233, that permits its use to attend to an illness of a child, parent, spouse, or domestic partner without retaliation. As such, Plaintiff and aggrieved employees contend that Defendant is liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 245, 246, 1198 and 2699.

Failure to Pay Timely Earned Wages During Employment in Violation of Labor Code §§ 204 and 210

Pursuant to Labor Code sections 204 and 210, Plaintiff alleges that he and other aggrieved employees were not timely paid all wages owed to them within the applicable time frames outlined in Labor Code 204. Plaintiff alleges that he was not regularly paid all wages owed to him in a timely manner. Based on these violations, Plaintiff intends to seek civil penalties pursuant to



PAGA, Labor Code sections 204, 210 and 2698. Plaintiff alleges that he and other aggrieved employees were not paid wages including overtime and meal and rest premiums in the time periods proscribed by these statutes.

Failure to Provide Accurate Wage Statements

Pursuant to Labor Code section 226 (“Section 226”), subdivision (a), an employer is required to provide itemized wage statements. Plaintiff was issued inaccurate wage statements, which failed to list premium pay and all hours worked. Plaintiff is informed and believes, and on that basis alleges, that Defendant failed to notify other employees of their premium pay for each payroll period. Plaintiff specifically alleges that wage statements did not display meal and rest premium payments, applicable rates, or applicable pay period, causing Plaintiff and other aggrieved employees’ confusion in attempting to decipher whether they were being paid the correct amount of wages. Plaintiff alleges that as a derivative of claims above, Defendants failed to provide accurate wage statements to Plaintiff other current and former aggrieved California-based hourly non-exempt employees who were subject to Defendants’ control for uncompensated time and who did not receive all their earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), as such failures rendered Plaintiff and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9). Based on these violations, Plaintiff will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 226.3 and/or Labor Code section 2699(f)(2) against Defendants if authorized to file a representative action on behalf of the State of California.

Penalties for Unpaid Wages

Pursuant to Labor Code section 558, subdivision (a), and employer who violates “any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty.” (Lab. Code § 558, subd. (a).)

An employer’s initial violation is subject to a “fifty dollar penalty (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” *Ibid.* Thereafter, each subsequent violation is subject to a penalty of “one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” *Ibid.*

Here, Defendant’s personnel were consistently asked to clock-out before their daily tasks were completed. Yet, Defendant required Plaintiff and his coworkers to stay to complete tasks after they had clocked out. Defendant purposely asked its personnel to work off-the-clock to avoid paying earned overtime and/or other straight time wages. Defendant is therefore liable for civil penalties under section 558, subdivision (a).

Failure to Timely Pay Final Wages Upon Termination

Defendant failed to pay Plaintiff and the aggrieved employees their final wages pursuant to Labor Code sections 201-203. Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable no later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Upon information and belief, Defendant has a practice or policy of failing to pay all accrued wages to departing employees and do not adhere to the time requirements set forth in Labor Code sections 201 and 202.

Unlawful Failure to Provide Uninterrupted Off-Duty Meal and Rest Periods

Plaintiff and similarly situated employees regularly worked in excess of five hours per day without being provided at least one half-hour meal period in which they were relieved of all duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.) Plaintiff and similarly situated employees also regularly worked in excess of four hours without being provided at least a ten-minute rest period in which they were relieved of all their duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.)

Throughout Plaintiff's employment, he was not able to take uninterrupted off-duty meal and rest periods in accordance with Labor Code. Defendant did not maintain a policy that ensured Plaintiff received requisite meal and rest periods until the final months of Plaintiff's employment. Furthermore, Defendant caused Plaintiff to miss meal and rest periods and failed to pay him the premium compensation mandated by Labor Code section 226.7, subdivisions (b)-(c). As a result of these Labor Code violations, Defendant is liable for civil penalties. (Lab. Code § 2698, *et seq.*)

Failure To Provide Adequate Seating

The Wage Order requires "suitable seats" for working employees "when the nature of the work reasonably permits the use of seats." In *Kilby v. CVS Pharmacy, Inc.* 368 P.3d 554, 559 (Cal. 2016), the California Supreme Court began with an interpretation of the phrase "nature of the work." *Id.* at 563. The Supreme Court explained that the inquiry must take into account all of the employee's tasks performed at a particular location. Plaintiff alleges that Defendants could have provided seating to its employees in order to perform their jobs at the Inn. As such, here when the nature of the work necessitates standing, "an adequate number of suitable seats shall be placed in reasonable proximity to the work area, and employees shall be permitted to use such seats when it does not interfere with the performance of their duties." California courts have allowed private suits under the Labor Code Private Attorneys General Act of 2004 (PAGA) to indirectly enforce provisions of the wage orders by enforcing statutes requiring compliance with those provisions. The courts have explicitly authorized such suits to enforce the "suitable seating" requirement. *Home Depot U.S.A. Inc. v. Superior Court* (2010) 191 Cal.App.4th 210, 222 [violation of Labor Code § 1198 may be brought to enforce wage order provision that employees



be provided suitable seating]). Therefore, Plaintiff seeks penalties on behalf of himself and aggrieved employees for these penalties.

Failure to Reimburse Business Expenses

Pursuant to Labor Code section 2802, employers are required to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their costs of doing business and operating expenses on to their employees. (*Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137, 1144.) During the relevant time period, Defendant failed to reimburse Plaintiff and aggrieved employees for business related expenses, including but not limited to cell phone use and uniforms. As such, Plaintiff and Defendant's employees have incurred reasonable and necessary expenses in the course of their job duties, which were not reimbursed by Defendant, in violation of Labor Code §2802.

Conclusion

As described above, Defendant has violated numerous wage and hour provisions of the Labor Code. As a result, Defendant is liable to Plaintiff and other current and former employees for civil penalties, attorney's fees, and costs, pursuant to Labor Code sections 226, subdivision (a), 226.3, 226.7, 512, 558, and 1194.

This letter shall serve as Plaintiff's amended notice pursuant to Labor Code section 2699.3 and we ask that LWDA conduct an investigation concerning the violations described herein. Alternatively, if LWDA does not intend to investigate these violations, we ask that it issue a notification letter to our office confirming the same so that we may proceed with our civil action asserting the PAGA claims described herein.

Please feel free to contact me if you have any questions or if you would like to discuss this matter further. Nothing in this letter is intended to be, or should be construed as, an admission against the interests of Plaintiff or other current or former employees of Defendant and shall not be construed as a waiver of their rights, remedies, claims, or defenses, all of which are expressly reserved.

Sincerely,

A handwritten signature in black ink, appearing to read "Camron Dowlatshahi", written in a cursive style.

Camron Dowlatshahi

cc: Cheryl Schreck <cschreck@fisherphillips.com>

EXHIBIT 3

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff VICTOR MARTINEZ (“Plaintiff”) and Defendants STANFORD INN BY THE SEA ECO RESORT, JEFFREY STANFORD, and JOAN STANFORD (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Victor Martinez v. Stanford Inn by the Sea Eco Resort, et al.* filed on May 1, 2024, and pending in Superior Court of the State of California, County of Mendocino, Case No. 24CV00539.
- 1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means a person employed by Defendants, in California and classified as an hourly, non-exempt employee who worked for Defendants during the PAGA Period.
- 1.5 “Class” means all persons employed by Defendants in California and classified as hourly, non-exempt employees who worked for Defendants during the Class Period.
- 1.6 “Class Counsel” means Camron Dowlathshahi of Mills Sadat Dowlath LLP.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available

sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from May 1, 2020, through the date Motion for Preliminary Approval is granted.
- 1.13 “Class Representatives” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as Class Representative.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Mendocino.
- 1.16 “Defendants” means named Defendants STANFORD INN BY THE SEA ECO RESORT, JEFFREY STANFORD, and JOAN STANFORD.
- 1.17 “Defense Counsel” means Cheryl Schreck, Lirit King, and Carola Murguia of FISHER & PHILLIPS, LLP.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means Five Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$525,000.00) which is the total amount Defendants agree to pay

under the Settlement except and subject to the escalation provision under Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

- 1.23 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31 "PAGA Period" means the period from May 1, 2023 through the date the Court grants the Motion for Preliminary Approval of the Settlement Agreement.
- 1.32 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33 "PAGA Notice" means Plaintiff's April 13, 2024 and February 13, 2025, Amended letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means VICTOR MARTINEZ, the named Plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means: Defendants and each of their former and present agents, directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. **RECITALS.**

- 2.1 On May 1, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum Wage for All Hours Worked (Labor Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1); (2) Failure to Pay

Overtime Compensation (Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (4) Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (5) Waiting Time Penalties (Lab. Code §§ 201-203); (6) Failure to Provide Accurate Wage Statements (Lab. Code § 226); (7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); and (8) Private Attorneys General Act (Labor Code §§ 2698, et seq.). Subsequently, on February 13, 2025, Plaintiff filed his First Amended Complaint (“FAC”) for: (1) Failure to Pay Minimum Wage for All Hours Worked (Labor Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1); (2) Failure to Pay Overtime Compensation (Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (4) Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (5) Waiting Time Penalties (Lab. Code §§ 201-203); (6) Failure to Provide Accurate Wage Statements (Lab. Code § 226); (7) Failure to Reimburse Business Expenses (Lab. Code § 2802); (8) Failure to Provide Wages When Due (Lab. Code §§ 201, 202, and 203); (9) Failure to Pay Sick Pay Wages (Lab. Code §§ 201-203, 233, 246); (10) Failure to Pay Timely Earned Wages During Employment (Lab. Code §§ 204, 210); (11) Failure to Pay Vacation Wages (Cal. Lab. Code § 227.3 and IWC Wage Orders); (12) Failure to Provide Seating (Cal. Lab. Code § 1198 and IWC Wage Orders); (13) Wage Theft Protection Act of 2011 (Cal. Lab. Code § 2810.5); (14) Violation of Unfair Competition Law; (Bus. & Prof. Code § 17200, et seq.); (15) Private Attorneys General Act (Labor Code §§ 2698, et seq.) The FAC is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notices on April 13, 2024 and February 13, 2025.

2.3 On December 17, 2024, the Parties participated in an all-day mediation presided over by Michael Mandel, Esq. which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, time and pay data for Class Members and the Aggrieved Employees along with Defendants’ handbooks, policies, and procedures in effect during the Class Period. Plaintiff was able to retain experts, who analyzed the relevant data and produced a damage analysis report. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”).

2.5 The Court has not granted class certification.

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants promise to pay Five Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$525,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.3%, which is currently estimated to be One Hundred and Seventy-Four Thousand Nine Hundred and Eighty-Two Dollars and Fifty Cents (\$174,982.50) and a Class Counsel Litigation Expenses Payment of not more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00). Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more

IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed Seven Thousand Dollars and Zero Cents (\$7,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$7,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

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

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Fifty Thousand Dollars (\$50,000.00) to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of their records to date, Defendants estimate as of December 17, 2024, there are 196 Class Members who collectively worked a total of 18,884 Workweeks, and 128 Aggrieved Employees who worked a total of 3,459 PAGA Pay Periods.

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

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

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

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The

Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
 - 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to California State Bar Justice Gap Fund ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.
 - 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
5. **RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:
- 5.1 **Plaintiff's Release.** Plaintiff and its respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 6.2, below. ("Plaintiff's Release.")

Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period.

Additionally, the Parties agree that nothing in this Agreement shall be construed to release any of the claims or the relief sought by Plaintiff for any wrongful termination and disability discrimination claims, which are being settled separately, pursuant to an individual settlement agreement addressing those claims.

Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, any and all claims involving any alleged (1) Failure to Pay Minimum Wage for All Hours Worked (Labor Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1); (2) Failure to Pay Overtime Compensation (Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (4) Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders); (5) Waiting Time Penalties (Lab. Code §§ 201-203); (6) Failure to Provide Accurate Wage Statements (Lab. Code § 226); (7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.); (8) Private Attorneys General Act (Labor Code §§ 2698, et seq.); (9) Failure to Reimburse Business Expenses (Lab. Code § 2802); (10) Failure to Provide Wages When Due (Lab. Code §§ 201, 202, and 203); (11) Failure to Pay Sick Pay Wages (Lab. Code §§ 201-203, 233, 246); (12) Failure to Pay Timely Earned Wages During Employment (Lab. Code §§ 204, 210); (13) Failure to Pay Vacation Wages (Cal. Lab. Code § 227.3 and IWC Wage Orders); (14) Failure to Provide Seating (Cal. Lab. Code § 1198 and IWC Wage Orders); and (15) Wage Theft Protection Act of 2011 (Cal. Lab. Code § 2810.5). Except as set forth in Sections 5.1 and 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination,

violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

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

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

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator and/or the proposed Cy Pres; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4 Notice to Class Members.

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

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

- 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 or 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

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

The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the

Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

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

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

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

7.8.4 Administrator's Declaration. Not later than 21 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The

Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.
8. **DEFENDANT'S RIGHT TO WITHDRAW:** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Class and PAGA Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
9. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts

requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under CCP Section 664.6 and as otherwise allowed by law to ensure the continuing implementation of the provisions of this settlement, including (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

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

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an

admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 11.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take

all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement. The Parties specifically agree that any amendments to the Settlement Agreement may be made by stipulation.

- 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

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

To Plaintiff:

MILLS SADAT DOWLAT LLP
Camron Dowlatsahi
camron@msdlawyers.com
333 South Hope Street, 40th Floor
Los Angeles, CA 90071
Telephone: (213) 279-2612

To Defendants:

FISHER & PHILLIPS, LLP
Cheryl Schreck
cschreck@fisherphillips.com
Lirit King
lking@fisherphillips.com
444 Flower St. Suite 1500
Los Angeles, California 90071
Telephone: (213) 330-4500

11.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of

this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

PLAINTIFF/CLASS REPRESENTATIVE

DATED: 3/19, 2025

By: Victor Martinez
Victor Martinez (Mar 19, 2025 18:58 PDT)
Plaintiff VICTOR MARTINEZ

DEFENDANTS

DATED: 4/3, 2025

By: Jeffrey & Joan Stanford
Authorized to sign on behalf of Defendant
STANFORD INN BY THE SEA ECO
RESORT

By: Jeffrey Stanford
JEFFREY STANFORD

By: Joan Stanford
JOAN STANFORD

APPROVED AS TO FORM:

DATED: April 3, 2025

FISHER & PHILLIPS, LLP

By: 
Cheryl Schreck
Lirit King
Attorneys for Defendants
STANFORD INN BY THE SEA
ECO RESORT, JEFFREY STANFORD,
And JOAN STANFORD

DATED: March 12, 2025

MILLS, SADAT DOWLAT LLP

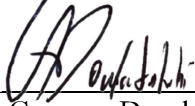
By: 
Camron Dowlatshahi
Attorneys for Plaintiff
VICTOR MARTINEZ

EXHIBIT A

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

Victor Martinez v. Stanford Inn by the Sea Eco Resort, et al.
Mendocino County Superior Court, Case No. 24CV00539

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendants Stanford Inn by the Sea Eco Resort, Jeffrey Stanford, and Joan Stanford (“Defendants”) for alleged wage and hour violations. The Action was filed by former employee of Defendants, Plaintiff Victor Martinez (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for Defendants during the Class Period (May 1, 2020, through _____); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendants during the PAGA Period (May 1, 2023 through _____) (“Aggrieved Employees”).

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

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

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

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

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are

Written Objections Must be Submitted by _____	not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing _____	The Court's Final Approval Hearing is scheduled to take place on _____. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, vacation pay, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Camron Dowlathahi of Mills Sadat Dowlath LLP ("Class Counsel.")

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

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

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

In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator, Michael Mandel, in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the

Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants Will Pay \$525,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement 14 days after the entry of the Court's Order granting Final Approval of Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative's Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$174,982.50 (33.3% of the Gross Settlement to Class Counsel for attorneys' fees and up to \$15,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$10,000.00 in Class Representative Award to the named Plaintiff for filing the Action, working with Class Counsel and representing the Class. The Class Representative's Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$7,000.00 to the Administrator for services administering the Settlement.
 - d. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

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

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“Cy Pres”).
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members)

remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

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

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, any and all claims involving any alleged (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay hourly wages and overtime; (4) failure to pay proper vacation wages; (5) failure to provide accurate written wage statements; (6) failure to timely pay all final wages; (7) unfair competition; and (8) Civil Penalties.

Except as set forth in Section 5 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

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

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

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

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records

containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Victor Martinez v. Stanford Inn by the Sea Eco Resort, et al.*, Mendocino County Superior Court, Case No. 24CV00539, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 14 days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view

them on the Administrator's Website <https://www.ilymgroup.com/cases/> or the Court's website <https://www.mendocino.courts.ca.gov/portal>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Victor Martinez v. Stanford Inn by the Sea Eco Resort, et al.*, Mendocino County Superior Court, Case No. 24CV00539 and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____ at _____ in Department __ of the Mendocino County Superior Court, located at 100 North State Street, Ukiah, CA 95482. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Mendocino County Superior Court Remote Appearances Link (<https://portal-camendocino.tylertech.cloud/Portal/>). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <https://www.ilymgroup.com/cases/> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Settlement Administrator's website at <https://www.ilymgroup.com/cases/>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.mendocino.courts.ca.gov/portal>) and entering the Case Number for the Action, Case No. 24CV00539. You can also make an appointment to personally

review court documents in the Clerk's Office at the Mendocino County Courthouse by calling (707) 468-2003.

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

Class Counsel:

MILLS SADAT DOWLAT LLP
Camron Dowlatshahi
camron@msdlawyers.com
333 South Hope Street, 40th Floor
Los Angeles, CA 90071
Telephone: (213) 279-2612

Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address:
Mailing Address: P.O. Box 2031, Tustin, CA, 92781
Telephone: 888-250-6810
Fax Number: 888-845-6185

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 4

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9

4
5
6

7
8
9
0
1
2

7
8

45

7

8
91
2