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JOSE VALDIVIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

JOSE VALDIVIA, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

PADILLA CONSTRUCTION COMPANY, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 37-2024-00016674-CU-OE-CTL

*[Assigned for all purposes to the Hon. Loren
G. Freestone, Dept. C-64]*

**DECLARATION OF SCOTT M. LIDMAN
IN SUPPORT OF MOTION FOR
SETTLEMENT APPROVAL OF CLAIMS
BROUGHT UNDER THE PRIVATE
ATTORNEYS GENERAL ACT AND
REASONABLE ATTORNEYS' FEES,
COSTS, AND ENHANCEMENT AWARD**

Date: March 27, 2026
Time: 10:30 a.m.
Dept.: C-64

1 I, SCOTT M. LIDMAN, declare as follows:

2 1. I am a shareholder and principal of the law firm Lidman Law, APC, and counsel
3 for the named Plaintiff Jose Valdivia ("Plaintiff") and the proposed Aggrieved Employees in the
4 above-captioned matter. I am a member in good standing of the bar of the State of California and
5 am admitted to practice in this Court. I have personal knowledge of the facts stated in this
6 declaration and could testify competently to them if called upon to do so.

7 2. I am a 1998 graduate of Santa Clara University School of Law, where I graduated
8 *summa cum laude*. During law school, I worked as a summer associate for the international
9 employment law firm of Littler Mendelson, P.C., located in Los Angeles, California.

10 3. Since graduating from law school, my practice has focused exclusively on
11 employment litigation. In September 1998, I began working as an associate attorney at the
12 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to its
13 website is the largest law firm in the world exclusively devoted to representing management in
14 employment, employee benefits and labor law matters.

15 4. In 2000, I left Littler Mendelson to work at the Los Angeles office of Jones Day,
16 which was at the time one of the largest international firms in the world. During my employment
17 at Jones Day, I worked exclusively in the labor and employment department. In or around 2003,
18 I went to work at the law firm of Loeb & Loeb, again working exclusively in the Labor &
19 Employment department. In 2008, I returned to Littler Mendelson, was promoted to Shareholder
20 in 2009, and from 2008 until the end of 2017, I practiced exclusively labor and employment law,
21 with a strong emphasis and most of my time working on wage and hour class actions venued in
22 both state and federal courts. During that time and my legal career in general, I also worked on a
23 number of single and multi-plaintiff wage and hour matters as well.

24 5. During my employment at Littler Mendelson, I played a significant role in the
25 class actions that I was staffed on, and ran many on my own both as an Of Counsel and as a
26 Shareholder. In particular, I received a wide-array of wage and hour class action experience
27 performing the following types of tasks: drafting demurrers, motions to strike and/or dismiss;
28 removing actions from state court to federal court; drafting and responding to written discovery;

1 drafting and opposing discovery related motions; arguing discovery related motions; drafting
2 motions to consolidate related matters; interviewing putative class members and obtaining
3 declarations in connection with class certification; drafting oppositions to motions for class
4 certification; drafting motions for decertification following class certification; conducting
5 exposure analyses to assess the strengths and weaknesses of asserted claims, the likelihood of
6 prevailing at class certification and potential damages resulting from such claims; drafting
7 mediation briefs; serving as the primary contact to in-house counsel; deposing named plaintiffs
8 and putative class members; deposing retained expert witnesses; and defending the depositions
9 of corporate witnesses. I also was involved in the negotiations and settlements of many large
10 wage and hour class actions. In short, I played an integral role in all aspects of litigation from the
11 inception of a matter through and beyond class certification. I also supervised the work of several
12 junior attorneys who were staffed on the same wage and hour class actions.

13 6. Although not exhaustive, below is a list of many of the wage and hour class and
14 PAGA actions that I performed substantial work on while I was a shareholder at Littler
15 Mendelson:

- 16 ► *Ortega v. J.B. Hunt Transport, Inc.*, Case No. 07-cv-8336-RGK-AFMx,
17 United States District Court, Central District of California, Honorable Gary
18 Klausner, presiding¹.
- 19 ► *Aceves v. J.B. Hunt Transport, Inc.*, Case No. CIVDS1306133, California
20 Superior Court, County of San Bernardino, Honorable Michael Sachs,
21 presiding.
- 22 ► *Moreno v. J.B. Hunt Transport, Inc.*, Case No. BC388612, California
23 Superior Court, County of Los Angeles, Honorable Mel Red Recana,
24 presiding.

27 ¹ My work on this matter including proceedings not only in District Court, but also work before the United States
28 Court of Appeals for the Ninth Circuit as well as the United States Supreme Court.

- 1 ▶ *Newcomb v. J.B. Hunt Transport, Inc.*, Case No. RG16815734, California
2 Superior Court, County of Alameda, Honorable Winifred Smith, presiding.
- 3 ▶ *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. 12-cv-08590-PA-
4 MAN, United States District Court, Central District of California,
5 Honorable Percy Anderson, presiding.
- 6 ▶ *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. BC388612,
7 California Superior Court, County of Los Angeles, Honorable Elihu Berle,
8 presiding.²
- 9 ▶ *Dugan v. Stoneledge Furniture, LLC*, Case No. 16-cv-01125-PA-FFMx,
10 United States District Court, Central District of California, Honorable Percy
11 Anderson, presiding.
- 12 ▶ *Klune v. Stoneledge Furniture, LLC*, Case No. 14-cv-03986-PA-FFMx,
13 United States District Court, Central District of California, Honorable Percy
14 Anderson, presiding.
- 15 ▶ *Diaz v. ABM Industries, Inc.; Ampco Parking*, Case No. BC362932,
16 California Superior Court, County of Los Angeles, Honorable Jane
17 Johnson, presiding.³
- 18 ▶ *Adams v. Luxottica Retail North America, Inc.*, Case No. 07CC01346,
19 California Superior Court, County of Orange, Honorable Thierry Patrick
20 Colaw, presiding.
- 21 ▶ *Sakkab v. Luxottica Retail North America, Inc.*, Case No. 12-cv-00436-
22 GPC-KSC, United States District Court, Southern District of California.⁴
- 23 ▶ *Page v. Oakley, Inc.*, Case No. FCS041512, California Superior Court,
24 County of Solano, Honorable Paul Berman, presiding.

26 ² My work on this matter included proceedings not only in the trial court, but also before the California Courts of
27 Appeal and the California Supreme Court.

28 ³ This matter was consolidated and litigated collectively with Case Nos. BC380923, BC 381523 and BC 406663.

⁴ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00731617-CU-OE-CJC
2 California Superior Court, County of Orange, Honorable William Claster,
3 presiding.
- 4 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00723846-CU-DE-CXC,
5 California Superior Court, County of Orange, Honorable William Claster,
6 presiding.
- 7 ▶ *Sierra v. Oakley, Inc.*, Case No. 13-cv-00319-AG-JPR, United States
8 District Court, Central District of California, Honorable Andrew Guilford,
9 presiding.⁵
- 10 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
11 United States District Court, Central District of California, Honorable
12 Margaret Morrow, presiding.
- 13 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
14 United States District Court, Central District of California, Honorable
15 Margaret Morrow, presiding.
- 16 ▶ *Khelghatian v. Comerica Bank, et al.*, Case No. 11-cv-7689-DSF-FFMx,
17 United States District Court, Southern District of California, Honorable
18 John A. Houston, presiding.
- 19 ▶ *Babasa v. Comerica Bank, et al.*, Case No. 11-cv-0595-JAH-BGS, United
20 States District Court, Central District of California, Honorable Margaret
21 Morrow, presiding.
- 22 ▶ *Bernal v. Comerica Bank, et al.*, Case No. 11-cv-01298-JAH-BGS, United
23 States District Court, Central District of California, Honorable Margaret
24 Morrow, presiding.
- 25 ▶ *Khalili v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
26 United States District Court, Northern District of California.

⁵ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ▶ *Granata v. Comerica Bank, et al.*, Case No. 37-2011-00086316-CU-OE-
2 CTL, California Superior Court, County of San Diego, Honorable Jeffrey
3 B. Barton, presiding.
- 4 ▶ *Mathews v. Comerica Bank, et al.*, Case No. 111CV194781, California
5 Superior Court, County of Santa Clara.
- 6 ▶ *Gallegos v. Comerica Bank, et al.*, Case No. BC455515, California
7 Superior Court, County of Los Angeles, Honorable Terry Green, presiding.
- 8 ▶ *Rumohr v. Comerica Bank, et al.*, Case No. CGC-11-508433, California
9 Superior Court, County of San Francisco.
- 10 ▶ *Smith v. Werner Enterprises*, Case No. 15-cv-02978-RS, United States
11 District Court, Northern District of California, Honorable Richard
12 Seeborg, presiding.

13 7. In January 2018, I voluntarily resigned from Littler Mendelson in order to open
14 my own law firm, Lidman Law, APC, to represent employees with work-related claims, including
15 primarily wage and hour claims and almost exclusively on a class-action basis. I am the President
16 and Shareholder of Lidman Law. Currently, over ninety percent (90%) of my practice is
17 dedicated exclusively to the prosecution of wage and hour class actions, and I am currently
18 responsible for prosecuting over sixty-five (65) wage and hour class actions filed in State courts
19 throughout California, with several of them having been removed to Federal courts. I believe that
20 my professional experience renders me more than qualified to serve as class counsel in this
21 lawsuit involving claims of underpaid overtime and minimum wages, meal and rest period
22 violations, and derivative penalty claims. Not only have I litigated dozens of wage and hour cases
23 throughout my career involving similar claims, including the wage and hour class actions
24 identified above, I have litigated similar claims from both plaintiff and defense perspectives. As
25 a result, I am able to realistically assess and evaluate the facts and legal arguments that can be
26 made in pursuit and defense of similar wage and hour claims, as well as those facts and arguments
27 in support and in opposition to class certification. Consequently, I am able to appreciate the
28 significant risks, uncertainties, and delay involved in wage and hour class action litigation.

1 8. I have been appointed Class Counsel in: *Guardado v. Wesley Allen, Inc.*, Case
2 No. BC683027, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B.
3 Kuhl presiding; *Rodriguez v. Satco, Inc.*, Case No. BC682137, California Superior Court,
4 County of Los Angeles, Honorable Judge Ann I. Jones presiding; *Ong v. Howard's Appliances,*
5 *Inc.*, Case No. 30-2017-00964213-CU-OE-CXC, California Superior Court, County of Orange,
6 Honorable Judge William Claster presiding; *Hanke v. C&W Facility Services, Inc.*, Case No.
7 CIVDS1814412, California Superior Court, County of San Bernardino, Honorable Judge David
8 Cohn presiding; *Molina v. Mader News, Inc.*, Case No. BC685960, California Superior Court,
9 County of Los Angeles, Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v.*
10 *Salamander Fire Protection, Inc.*, Case No. BC688326, California Superior Court, County of
11 Los Angeles, Honorable Judge William F. Highberger presiding; *Rodriguez v. H.F. Cox, Inc.*,
12 Case No. BC653164, California Superior Court, County of Los Angeles, Honorable Judge
13 Carolyn B. Kuhl presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California
14 Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Teran*
15 *v. Western Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside,
16 Honorable Judge Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*,
17 Case No. BC688477, California Superior Court, County of Los Angeles, Honorable Judge
18 Daniel J. Buckley presiding; *Huynh v. Polypeptide Laboratories, Inc.*, Case No. BC680872,
19 California Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko
20 presiding; *Guzman v. Century Blinds*, Case No. RIC1723654, California Superior Court, County
21 of Riverside, Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing,*
22 Case No. CIVDS1901039, California Superior Court, County of San Bernardino, Honorable
23 Judge David S. Cohn presiding; *Coffee, et al. v. Flyers Transportation Energy, LLC*, Case No.
24 34-2017-00222084, California Superior Court, County of Sacramento, Honorable Judge Alan G.
25 Perkins presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California
26 Superior Court, County of Los Angeles, Honorable Judge Maren E. Nelson presiding;
27 *Wennerstrom, et al. v. Giant Inland Empire R.V. Center*, Case No. CIVDS1617291, California
28 Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding;

1 *Contreras, et al. v. Letter Ride, LLC*, Case No. 37-2018-00020841-CU-OE-CTL, California
2 Superior Court, County of San Diego, Honorable Judge Eddie C. Sturgeon presiding; *Davis v.*
3 *WeDriveU*, Case No. 18CV322578, California Superior Court, County of Santa Clara,
4 Honorable Judge Brian C. Walsh presiding; *Acuna v. Canton Food Co., Inc.*, Case No.
5 BC685001, California Superior Court, County of Los Angeles, Honorable Judge David S.
6 Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*, Case No. 2:18-cv-
7 06036-PSG-SS, United States District Court for the Central District of California, the Honorable
8 Judge Philip S. Gutierrez presiding.

9 9. As co-lead counsel for Plaintiff, I have been intimately involved in every aspect
10 of this case from its inception through the present, and I believe that the proposed Settlement is
11 a reasonable result for the Aggrieved Employees.

12 10. Defendant Padilla Construction Company (“Defendant”) does business by
13 offering construction services specializing in metals, plastic composite fabrications, plastering,
14 flooring, and painting.

15 11. On April 9, 2024, Plaintiff filed a class action Complaint against Defendant
16 asserting claims for (1) failure to pay all overtime wages owed; (2) failure to pay all minimum
17 wages owed; (3) failure to pay all prevailing wages; (4) failure to provide meal periods; (5)
18 failure to authorize and permit all rest periods; (6) failure to indemnify all necessary business
19 expenditures; and (7) unfair competition.

20 12. On April 9, 2024, Plaintiff sent a written notice pursuant to Labor Code section
21 2698 *et seq.* to the Labor Workforce Development Agency (“LWDA”) and Defendant asserting
22 claims for civil penalties pursuant to the California Labor Code Private Attorney General Act,
23 Labor Code section 2698, *et seq.* (“PAGA”) stemming from Defendant’s failure to pay all
24 overtime compensation earned, failure to pay all the statutory minimum wage for all hours
25 worked, failure to pay the prevailing rate of per diem wages, failure to provide all legally required
26 meal periods and pay meal period premiums, failure to provide all legally required and paid rest
27 periods and pay rest period premiums, failure to reimburse all necessary business expenditures
28 incurred in the discharge of duties, failure to pay all earned wages at least twice during each

1 calendar month, and failure to maintain accurate records for all hourly, non-exempt employees.

2 A true and correct copy of the LWDA letter is attached hereto as **Exhibit 1**.

3 13. On June 14, 2024, Plaintiff sent a supplemental written notice to the LWDA and
4 Defendant notifying both of an additional Labor Code violation allegation: failure to provide
5 accurate, itemized wage statements in violation of Labor Code § 226, *et seq.* A true and correct
6 copy of the supplemental LWDA letter is attached hereto as **Exhibit 2**.

7 14. On June 14, 2024, Plaintiff filed a First Amended Complaint adding a cause of
8 action for failure to provide accurate, itemized wage statements and a claim for civil penalties
9 pursuant to the PAGA stemming from Defendant's alleged violations of the California Labor
10 Code set forth in the Complaint and LWDA original and supplemental notices.

11 15. On July 1, 2024, due to the existence of an arbitration agreement between the
12 Parties and at Plaintiff's request, the Court dismissed the class action allegations without
13 prejudice and submitted Plaintiff's individual claims to arbitration. Thus, the only remaining
14 claim in this action is the PAGA representative claim.

15 16. After agreeing to participate in a private mediation, Defendant informally
16 produced to Plaintiff time records and payroll data for Aggrieved Employees. After the detailed
17 review of the data produced by Defendant, Plaintiff's Counsel drew on their extensive experience
18 in similar cases to assess the strengths and weaknesses of Plaintiff's case. This informal
19 discovery allowed the parties to assess the merits and value of Plaintiff's claims and determine
20 if a settlement could be reached.

21 17. On January 21, 2025, the Parties participated in mediation with Steve Pearl, Esq.,
22 a well-respected wage and hour class and representative action mediator. During mediation, the
23 Parties vigorously debated their opposing legal positions and the likelihood of Plaintiff's ability
24 to proceed on a representative basis and obtain a judgment in his favor. Ultimately, the Parties
25 reached a settlement, the terms of which were subsequently finalized in writing after mediation.
26 A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 3**. The
27 Proposed Notice of PAGA Settlement and Release of Claims is attached hereto as **Exhibit 4**.

28 //

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

Gross Settlement Amount (“GSA”):	\$280,000.00
Minus Court-approved attorneys’ fees (1/3 of the GSA):	\$93,333.33
Minus Court-approved attorneys’ costs:	\$11,356.92
Minus Court-approved Enhancement Award:	\$7,500.00
Minus Settlement Administration Costs:	\$5,500.00
Net Settlement Amount (“NSA”):	\$162,309.75
NSA	\$162,309.75
75% to LWDA	\$121,732.31
25% to Aggrieved Employees	\$40,577.44

19. Within thirty (30) days of the Effective Date, defined as the date upon entry of an Order by the Court approving the Settlement, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees sufficient to determine the number of PAGA Pay Periods for each Aggrieved Employee. Within ten (10) business days of receiving the Aggrieved Employees’ information from Defendant, the Settlement Administrator will mail a Notice Packet in both English and Spanish to each Aggrieved Employee at his or her law known address or at an updated address. Within ten (10) days of Defendant fully funding the GSA, the Settlement Administrator will calculate PAGA payment amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail PAGA payments to Aggrieved Employees.

20. The entire NSA shall be designated as PAGA civil penalties. Of the NSA, 75 percent of will be distributed to the LWDA and 25 percent will be distributed to the Aggrieved Employees pursuant to Labor Code § 2699(i). Based on these distributions, the amount to be paid to the LWDA will be \$121,732.31 and the amount paid to Aggrieved Employees is estimated to be \$40,577.44. This portion of the NSA shall be paid to all Aggrieved Employees pro rata based

1 on the proportional number of pay periods worked by each Aggrieved Employee during the
2 PAGA Period and will be reported on an IRS Form 1099. The average payment to an Aggrieved
3 Employee is estimated to be \$88.59.

4 21. According to Defendant, there are approximately 458 total Aggrieved Employees
5 defined as:

6 All current and former hourly, non-exempt employees of Defendant
7 Padilla Construction Company who worked in California at any time from
8 April 9, 2023 through the date the Court grants approval of the settlement.

9 The Parties estimates that, as of January 21, 2025, there were 13,327 PAGA Pay Periods
10 during the PAGA Period.

11 22. Aggrieved Employees' claims arise from Defendant's common, uniform policies
12 and practices that applied to Aggrieved Employees during the class period. Specifically, Plaintiff
13 alleged that Defendant's common and uniform policies and practices resulted in the following
14 violations: (1) failure to pay all overtime compensation earned; (2) failure to pay the statutory
15 minimum wage for all hours worked; (3) failure to pay the prevailing rate of per diem wages; (4)
16 failure to provide all legally required meal periods and failing to pay meal period premiums; (5)
17 failure to provide all legally required and paid rest periods and failing to pay rest period
18 premiums; (6) failure to reimburse for all necessary business expenditures incurred n the
19 discharge of duties; (7) failure to pay all earned wages at least twice during each calendar month;
20 (8) failure to maintain accurate records; and (9) issuing inaccurate wage statements. As a result,
21 Defendant is liable for civil penalties under the PAGA.

22 23. As described in the accompanying Motion for Settlement Approval, Plaintiff
23 alleges that Defendant did not pay Plaintiff and other non-exempt employees for all hours
24 worked. Specifically, Plaintiff alleges Defendant required Plaintiff and other Aggrieved
25 Employees to record their hours of work as 7:00 a.m. to 3:30 p.m., despite also requiring the
26 same employees to perform work duties before and after those hours. Plaintiff alleges that he and
27 other Aggrieved Employees often worked more than eight hours in a workday and/or 40 hours
28 in a workweek, but were not paid for such time due to Defendant's timekeeping policies. As a
result, Plaintiff and other non-exempt employees were performing work duties while not clocked

1 in and as such, Defendant failed to pay Plaintiff and Aggrieved Employees all required minimum
2 and overtime wages. Plaintiff further alleges that Defendant failed to pay Plaintiff and other
3 Aggrieved Employees the prevailing wage for regular time and overtime hours worked.
4 Accordingly, pursuant to Labor Code section 1198 and the default penalties set forth in the
5 PAGA, Plaintiff calculated Defendant's civil penalty exposure for unpaid minimum wages at
6 \$2,619,600.00 [(458 employees x \$100 initial violation rate) + (12,869 x \$200 subsequent
7 violation rate)] and Defendant's civil penalty exposure for unpaid overtime wages at
8 \$2,619,600.00 [(458 employees x \$100 initial violation rate) + (12,869 x \$200 subsequent
9 violation rate)].

10 24. In defense of this claim, Defendant denies that it required employees to work
11 without proper compensation. Defendant contends that it properly paid its employees, including
12 paying wages at the prevailing rate. In light of this and Defendant's argument that the Court
13 would exercise its discretion to reduce any civil penalty due to its good faith efforts to comply
14 with applicable law, Plaintiff discounted the maximum recovery on this claim by 85 percent to
15 account for the risk that Defendant could prevail in its defenses, to arrive at a projected total of
16 approximately \$785,880.00.

17 25. Plaintiff alleges that Defendant failed to provide meal periods before the fifth and
18 tenth hour of work and failed to provide second meal periods when working in excess of 10.0
19 hours, all in violation of California law. Based on Defendant's time records, Plaintiff estimates
20 there is a 100 percent meal period violation rate. As such, pursuant to Labor Code section 226.7
21 and the default penalties set forth in the PAGA, Plaintiff calculated Defendant's exposure at
22 \$2,619,600.00 [(458 employees x \$100 initial violation rate) + (12,869 x \$200 subsequent
23 violation rate)].

24 26. Defendant counters that it has always provided non-exempt employees with an
25 opportunity to take legally compliant meal periods, and any missed meal periods were solely the
26 result of employee choice, rather than any policy or practice of Defendant. Defendant points out
27 that under *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, it is only required
28 to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken, and that
it has always done so. In light of these defenses and Defendant's argument that the Court would

1 exercise its discretion to reduce any civil penalty due to its good faith efforts to comply with
2 applicable law, Plaintiff discounted the maximum recovery on this claim by 65 percent to
3 account for the risk that Defendant could prevail in its defenses, to arrive at a projected total of
4 approximately \$916,860.00.

5 27. Plaintiff alleges that he and other Aggrieved Employees were not authorized and
6 permitted to take all required rest periods due to Defendant's policies and practices. Specifically,
7 Plaintiff alleges Defendant combined rest periods with meal periods and provided a single one-
8 hour break. Pursuant to Labor Code section 226.7 and the default penalties set forth in the PAGA,
9 Plaintiff calculated Defendant's exposure at \$2,619,600.00. [(458 employees x \$100 initial
10 violation rate) + (12,869 x \$200 subsequent violation rate)].

11 28. Defendant contends it has always maintained and enforced lawful rest period
12 policies and practices, and that hourly, non-exempt employees were authorized and permitted to
13 take all off-duty rest periods in compliance with California law. Defendant also contends that if
14 there was any combination of meal and rest periods, it was purely by employee choice, and
15 nonetheless that rest period violations would be difficult to litigate effectively and prove since
16 records were not maintained of rest periods. In light of these defenses and Defendant's argument
17 that the Court would exercise its discretion to reduce any civil penalty due to its good faith efforts
18 to comply with applicable law, Plaintiff discounted the maximum recovery on this claim by 80%
19 to account for the risk that Defendant could prevail in its defenses, to arrive at a projected total of
20 approximately \$523,920.00.

21 29. Plaintiff alleges that Defendant issued inaccurate wage statements in violation of
22 Labor Code § 226 as a result of the alleged unpaid minimum wages, overtime wages, and meal
23 and rest period premium wages described above. Plaintiff estimates that there were approximately
24 13,327 wage statements issued during the relevant time period. Accordingly, pursuant to Labor
25 Code section 226 and the default penalties set forth in the PAGA, Plaintiff calculated Defendant's
26 exposure at \$2,619,600.00 [(458 employees x \$100 initial violation rate) + (12,869 x \$200
27 subsequent violation rate)].

28 //

30. Defendant argues that its alleged wage statement violations could not be shown to be “knowing and intentional,” and that Plaintiff cannot show that he or any other employee “suffer[ed] injury” as a result of the alleged wage statement violations, as required by Lab. Code § 226(e) for imposition of penalties. In light of these defenses and Defendant’s argument that the Court would exercise its discretion to reduce any civil penalty due to its good faith efforts to comply with applicable law, Plaintiff discounted the maximum recovery on this claim by 45 percent to account for the risk that Defendant could prevail in its defenses, to arrive at a projected total of approximately \$1,440,780.00.

31. Plaintiff alleges Defendant failed to reimburse non-exempt employees for all necessary business expenses incurred. Specifically, Defendant required Plaintiff and non-exempt employees to use their personal cell phones for work-related purposes but did not reimburse the non-exempt employees for such usage in violation of Labor Code § 2802. Therefore, Plaintiff calculated Defendant’s exposure for unreimbursed business expenses at approximately \$2,619,600.00 [(458 employees x \$100 initial violation rate) + (12,869 x \$200 subsequent violation rate)].

32. Defendant contends employees were not required to use their personal electronic devices to communicate with team members and would only do so at their own volition. Defendant further contends that any purportedly necessary expenses incurred by non-exempt employees were minimal. In light of these defenses and Defendant’s argument that the Court would exercise its discretion to reduce any civil penalty due to its good faith efforts to comply with applicable law, Plaintiff discounted the maximum recovery on this claim by 85% to account for the risk that Defendant could prevail in its defenses, to arrive at a projected total of approximately \$392,940.00.

33. Using these estimated figures for each of the claims described above, Plaintiff predicted the realistic total recovery for the Settlement Class would be approximately \$4,060,380.00. The proposed settlement of \$280,000.00 therefore represents approximately 6.9 percent of the reasonably forecasted minimum recovery for the PAGA Group. Approval is appropriate as the settlement will provide tangible monetary relief to Settlement Class Members

and will still provide an average recovery to Settlement Class Members of approximately \$88.59.

34. My experience in matters similar to this one was integral in evaluating the strengths and weaknesses of this case and the reasonableness of the Settlement. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the rapidly evolving substantive state and federal law, as well as the procedural law of class action litigation. This case involved nuanced legal issues regarding both substantive and procedural law, including complex issues with respect to rounding of time, providing meal and rest periods, and the propriety of statutory penalties.

35. Plaintiff's Counsel have a lodestar of \$117,652.50 without the use of any multiplier, which is more than the \$93,333.33 fee request. The following is a general summary showing the number of hours of work performed by each attorney and paralegal in my firm and co-counsel's firm on this case:

Name	Rate	Hours	Pre-Multiplier Lodestar
Scott M. Lidman (26 th Year Attorney)	\$900	56.3	\$50,670.00
Paul K. Haines (18 th Year Attorney)	\$850	16	\$13,600.00
Milan Moore (9 th Year Attorney)	\$650	62.5	\$40,625.00
Tiara Gose-Hardy (6 th Year Attorney)	\$525	24.3	\$12,757.50
Paralegals	\$200	23.7	\$4,740.00
Total Lodestar			<u>\$117,652.50</u>

36. My proposed hourly rate of \$900, Mr. Haines's proposed hourly of \$850, Ms. Moore's proposed hourly rate of \$650, and Ms. Gose-Hardy's proposed hourly rate of \$525 are reasonable in light of our respective skills, wage and hour class action litigation experience, reputation, and fee awards to other attorneys of similar experience in California. Moreover, our requested hourly rates are in line with the *Laffey* Matrix, a true and correct copy of which is attached hereto as **Exhibit 5**.

//

1 37. The attorneys' fee award requested is consistent with those routinely awarded by
2 California superior courts. California superior courts frequently grant common fund awards of
3 33 percent. *See, e.g., Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, fn. 11 (2008); *see also, In*
4 *re Pacific Enterprises Securities Litig.*, 47 F.3d 373, 379 (9th Cir. 1995) (affirming 33% fee
5 award); *Chavez v. Saticoy Lemon Ass'n*, Case No. 56-2015-00468600-CU-OE-VTA, 2015 WL
6 5561118 (Ventura Cty. Super. Ct., Aug. 29, 2015) (approving attorneys' fees of one-third of
7 settlement fund in representative PAGA settlement).

8 38. Indeed, numerous courts have awarded attorneys' fees of up to, or in excess of 40
9 percent of the common fund. *Ammari Electronics, et al. v. Pacific Bell Directory*, Alameda
10 County Sup. Ct., Case No. RG05198014 (awarded 43.8%) (2015); *In re California Indirect*
11 *Purchaser X Ray Film Antitrust Litigation*, San Francisco Sup. Ct. 1998 (citing *Abzug v.*
12 *Kerkorian*, Los Angeles Sup. Ct., Nov. 19, 1990, Case No. CA-00981 (45%) and *Haitz v. Meyer*,
13 Alameda County Sup. Ct., August 20, 1990, Case No. 5729683 (45%)); *Hall v. Cinema 7, Inc.*,
14 San Francisco Sup. Ct., July 16, 2008, Case No. CGC-01-409105 (53%); and *Rundberg v.*
15 *Intrawest Napa Dev. Co.*, Napa County Sup. Ct., January 15, 2014, Case No. 26-56886 (40%).

16 39. Being a private law practice, my firm can only properly litigate a limited number
17 of cases at one time. The professional demands of this case were significant, including a
18 significant number of hours of attorney and paralegal time. This litigation precluded my firm
19 from other employment due to the time and financial commitments required by the case. Indeed,
20 because my firm takes on cases on a purely contingency fee, we are only compensated for our
21 time if we successfully settle a case or prevail at trial. Accordingly, I believe the requested fees
22 are reasonable.

23 40. Since undertaking representation of Plaintiff, my firm has dedicated substantial
24 resources to this litigation, including expending (or will expend) a total of \$11,356.92 (including
25 costs associated with the instant motion) in actual litigation costs, without receiving any
26 compensation to date. A true and correct copy of my firm's costs summary in this matter,
27 including the invoice for Plaintiff's expert's services, is attached hereto as **Exhibit 6**. My office
28 conducted legal research regarding the merits of Plaintiff's claims, the ability to recover penalties

1 under the PAGA, and Defendant's potential defenses. My office spent significant time
2 reviewing and analyzing the data Defendant produced informally prior to mediation and prepared
3 an exposure analysis on the PAGA penalties. My office expended significant additional effort
4 in preparing subsequent settlement documents, this Motion for settlement approval, and
5 supporting declarations, and will oversee the settlement administration process.

6 41. Plaintiff also seeks an enhancement award of \$7,500.00, which is reasonable
7 given Plaintiff's efforts in this case and the risks he undertook on behalf of the Aggrieved
8 Employees. Plaintiff provided substantial factual information and documents to my firm and
9 attended multiple meetings. Plaintiff also made himself available on the day of the mediation,
10 and responded to all questions that I had as various issues arose. Further, Plaintiff put his future
11 employment prospects at risk by becoming a representative, as the fact that he filed a lawsuit "is
12 searchable on the internet and may become known to prospective employers when evaluating"
13 them for employment.

14 42. Under the proposed Settlement in this case, uncashed funds will be sent to *cypres*
15 recipient Legal Aid at Work. Neither I nor any attorney at my law firm have any personal and/or
16 financial interest and/or connection with Legal Aid at Work.

17 43. On July 31, 2025, Plaintiff submitted the Proposed Settlement and Proposed
18 Notice of PAGA Settlement and Release of Claims to the LWDA pursuant to Labor Code
19 § 2699(1)(2). A true and correct copy of the confirmation and proof of service is attached hereto
20 as **Exhibit 7**.

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

23 Executed on July 31, 2025, at El Segundo, California.

24
25
26
27
28

Scott M. Lidman

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 9, 2024

VIA LWDA WEBSITE

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

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Padilla Construction Company
c/o Ralph Padilla
1620 N. Brian Street
Orange, CA 92867

Re: *Jose Valdivia v. Padilla Construction Company*

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Valdivia files a civil lawsuit seeking civil penalties.

Defendant does business as a construction company. Mr. Valdivia, a current employee, has been employed by Defendant as a non-exempt employee since approximately 1993. Mr. Valdivia is a Foreman and his job duties include without limitation, laying stucco, mixing material, putting up metal/wood, and providing assistance to the cement crew.

During his employment with Defendant, Mr. Valdivia was not paid for time worked prior to arriving at his designated worksite during the workday. For example, Mr. Valdivia often was required to pick up his co-workers at 4:00 a.m. and arrive at the job worksite by 7:00 a.m. arrive. Despite this compensable work at the yard and then traveling to the worksite, Defendant only paid Mr. Valdivia starting from the time he arrived at the job worksite (*i.e.* 7:00 a.m.). Similarly, Mr. Valdivia was never paid for compensable time worked traveling from the job worksite to dropping off the other employees at the end of the shift, which took typically more than 3 hours depending on traffic.

Defendant maintained a uniform policy or practice of failing to accurately record all time worked by Mr. Valdivia and similarly situated employees. Instead, Defendant maintained a uniform policy or practice of requiring Mr. Valdivia to sign in on handwritten timesheets at the job worksite, but not record his actual time the employee started working and stopped working. Because Mr. Valdivia was required to pick up employees prior to arriving at the job worksite, which took approximately 3 hours and then drop off other employees after leaving the job worksite, which typically took another 3 hours, Defendant failed to pay Mr. Valdivia for all compensable work time. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant not paying Mr. Valdivia for all wages owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Defendant would keep track of Mr. Valdivia's time worked and would unlawfully shave Mr. Valdivia's work time and/or round Mr. Valdivia's work time such that Mr. Valdivia would not be fully paid for all time worked. Specifically, as a result of the use of handwritten timesheets, Defendant directed Mr. Valdivia to only record rounded hours and not his actual start and stop time. Moreover, Mr. Valdivia was required to write down his scheduled hours on his time sheet, resulting in the same hours being reported every day. This time shaving/rounding practice utilized by Defendant was not-even handed over time and would round and shave in Defendant's favor such that Mr. Valdivia was routinely underpaid for his time worked. Further, during Mr. Valdivia's employment with Defendant, he often worked in excess of 8 hours per workday and/or 40 hours per work week, and therefore, had Mr. Valdivia been properly paid for all of the time that he actually worked, he would have been paid additional minimum and/or overtime wages. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant paying Mr. Valdivia less than he was owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Mr. Valdivia was not provided all required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute first meal periods before the end of the fifth hour of work. Specifically, Mr. Valdivia is informed and believes, and thereon alleges, that as a result of Defendant's failure to consider the compensable time worked before arriving at the job worksite as time worked for purposes of providing a meal period before the end of the fifth hour of work, the meal periods were untimely or otherwise unlawful. Further, Defendant's meal period policies and practices fail to provide Mr. Valdivia and the other non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Valdivia worked in excess of 10.0 hours, he was not provided with a second 30-minute meal period in violation of California law.

Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Valdivia was also not authorized and permitted to take all required rest periods due to Defendant's rest period policies and practices. Specifically, while at the worksites Defendant combined Mr. Valdivia's rest periods with his meal period and provided one single hour break. Accordingly, Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*.

On those occasions when Mr. Valdivia was not authorized and permitted to take all legally-compliant rest periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

Defendant also failed to reimburse Mr. Valdivia and other non-exempt employees for necessary business expenses incurred during the relevant time period. Specifically, Defendant required Mr. Valdivia to use his personal cellular phone and tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or use personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law, as mandated by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.

During his employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant were required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work/government projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other non-exempt employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Overtime Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As a result of the policies/practices described above, Mr. Valdivia and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Minimum Wage Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 16, § 4. Mr. Valdivia and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices, as alleged above. These practices

resulted in Defendant not paying Mr. Valdivia and other aggrieved employees for all wages owed for work performed, including failing to pay all required minimum wages.

Failure to Pay All Prevailing Wages

The California Prevailing Wage Law, California Labor Code §§ 1720-1861, requires that employers with public contracts pay their laborers, workers, and mechanics on public works projects the general prevailing rate of per diem wages, including overtime at least at the rate of one and one-half the basic rate of pay, as determined by the Director of Industrial Relations, employer payment for health and welfare, pension, vacation, travel, and subsistence. Cal. Lab. Code §§ 510, 1173, 1773. As described above, during Mr. Valdivia's employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant was required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other aggrieved employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law. As a result, Mr. Valdivia and other aggrieved employees are further entitled to liquidated damages for unpaid wages pursuant to California Labor Code § 1194.2(a).

Meal Period Violations

As described in detail above, Defendant failed to provide Mr. Valdivia and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant failed to authorize and permit Mr. Valdivia and other aggrieved employees to take all required and compliant rest periods due to Defendant's unlawful rest period policies and practices. *See* Labor Code §§ 226.7 and 516; Wage Order 16. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Expenditures

As described above, Defendant required Mr. Valdivia to use his personal cellular phone and personal tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law. Defendant's policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 16, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Valdivia and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Mr. Valdivia will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Valdivia own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Valdivia and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Valdivia and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 1720-1861 by failing to pay the prevailing rate of per diem wages to Mr. Valdivia and the other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Valdivia and other aggrieved employees;
- e) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required and paid rest periods and failing to pay rest period premiums to Mr. Valdivia and other aggrieved employees;
- f) Defendant violated Labor Code §2802, by failing to reimburse Mr. Valdivia and other aggrieved employees for all necessary business expenditures incurred in the discharge of their duties;
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Valdivia and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Valdivia and other aggrieved employees.

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

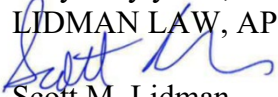
Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

June 14, 2024

VIA LWDA WEBSITE

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

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

KRING & CHUNG, LLP

Kyle Krings
Kerri N. Kramer
38 Corporate Park
Irvine, California 92606

*Attorneys for Defendant Padilla Construction
Company*

Re: *Jose Valdivia v. Padilla Construction Company*
Supplemental LWDA Letter
LWDA Case No. LWDA-CM-1021349-24

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. Defendant’s numerous violations of the Labor Code as set forth below and in his prior correspondence to the Labor and Workforce Development Agency (“LWDA”) dated April 9, 2024 (the “LWDA Letter”). Attached hereto as **Exhibit A** is a true and correct copy of the LWDA Letter and is incorporated herein by reference. By this letter, Mr. Valdivia hereby supplements his prior LWDA Letter. The purpose of the LWDA Letter and the instant supplement letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the LWDA of the specific provisions of the Labor Code allegedly violated.

Wage Statement Violations

Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Valdivia and other Aggrieved Employees during the relevant time period. Defendant’s failure to furnish Mr. Valdivia and other Aggrieved Employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant’s reported data. Defendant knowingly

and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Valdivia and other Aggrieved Employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, and total meal and rest period premium wages, in violation of Labor Code § 226 *et seq.*

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

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 9, 2024

VIA LWDA WEBSITE

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

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Padilla Construction Company
c/o Ralph Padilla
1620 N. Brian Street
Orange, CA 92867

Re: *Jose Valdivia v. Padilla Construction Company*

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Valdivia files a civil lawsuit seeking civil penalties.

Defendant does business as a construction company. Mr. Valdivia, a current employee, has been employed by Defendant as a non-exempt employee since approximately 1993. Mr. Valdivia is a Foreman and his job duties include without limitation, laying stucco, mixing material, putting up metal/wood, and providing assistance to the cement crew.

During his employment with Defendant, Mr. Valdivia was not paid for time worked prior to arriving at his designated worksite during the workday. For example, Mr. Valdivia often was required to pick up his co-workers at 4:00 a.m. and arrive at the job worksite by 7:00 a.m. arrive. Despite this compensable work at the yard and then traveling to the worksite, Defendant only paid Mr. Valdivia starting from the time he arrived at the job worksite (*i.e.* 7:00 a.m.). Similarly, Mr. Valdivia was never paid for compensable time worked traveling from the job worksite to dropping off the other employees at the end of the shift, which took typically more than 3 hours depending on traffic.

Defendant maintained a uniform policy or practice of failing to accurately record all time worked by Mr. Valdivia and similarly situated employees. Instead, Defendant maintained a uniform policy or practice of requiring Mr. Valdivia to sign in on handwritten timesheets at the job worksite, but not record his actual time the employee started working and stopped working. Because Mr. Valdivia was required to pick up employees prior to arriving at the job worksite, which took approximately 3 hours and then drop off other employees after leaving the job worksite, which typically took another 3 hours, Defendant failed to pay Mr. Valdivia for all compensable work time. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant not paying Mr. Valdivia for all wages owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Defendant would keep track of Mr. Valdivia's time worked and would unlawfully shave Mr. Valdivia's work time and/or round Mr. Valdivia's work time such that Mr. Valdivia would not be fully paid for all time worked. Specifically, as a result of the use of handwritten timesheets, Defendant directed Mr. Valdivia to only record rounded hours and not his actual start and stop time. Moreover, Mr. Valdivia was required to write down his scheduled hours on his time sheet, resulting in the same hours being reported every day. This time shaving/rounding practice utilized by Defendant was not-even handed over time and would round and shave in Defendant's favor such that Mr. Valdivia was routinely underpaid for his time worked. Further, during Mr. Valdivia's employment with Defendant, he often worked in excess of 8 hours per workday and/or 40 hours per work week, and therefore, had Mr. Valdivia been properly paid for all of the time that he actually worked, he would have been paid additional minimum and/or overtime wages. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant paying Mr. Valdivia less than he was owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Mr. Valdivia was not provided all required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute first meal periods before the end of the fifth hour of work. Specifically, Mr. Valdivia is informed and believes, and thereon alleges, that as a result of Defendant's failure to consider the compensable time worked before arriving at the job worksite as time worked for purposes of providing a meal period before the end of the fifth hour of work, the meal periods were untimely or otherwise unlawful. Further, Defendant's meal period policies and practices fail to provide Mr. Valdivia and the other non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Valdivia worked in excess of 10.0 hours, he was not provided with a second 30-minute meal period in violation of California law.

Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Valdivia was also not authorized and permitted to take all required rest periods due to Defendant's rest period policies and practices. Specifically, while at the worksites Defendant combined Mr. Valdivia's rest periods with his meal period and provided one single hour break. Accordingly, Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*.

On those occasions when Mr. Valdivia was not authorized and permitted to take all legally-compliant rest periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

Defendant also failed to reimburse Mr. Valdivia and other non-exempt employees for necessary business expenses incurred during the relevant time period. Specifically, Defendant required Mr. Valdivia to use his personal cellular phone and tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or use personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law, as mandated by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.

During his employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant were required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work/government projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other non-exempt employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Overtime Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As a result of the policies/practices described above, Mr. Valdivia and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Minimum Wage Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 16, § 4. Mr. Valdivia and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices, as alleged above. These practices

resulted in Defendant not paying Mr. Valdivia and other aggrieved employees for all wages owed for work performed, including failing to pay all required minimum wages.

Failure to Pay All Prevailing Wages

The California Prevailing Wage Law, California Labor Code §§ 1720-1861, requires that employers with public contracts pay their laborers, workers, and mechanics on public works projects the general prevailing rate of per diem wages, including overtime at least at the rate of one and one-half the basic rate of pay, as determined by the Director of Industrial Relations, employer payment for health and welfare, pension, vacation, travel, and subsistence. Cal. Lab. Code §§ 510, 1173, 1773. As described above, during Mr. Valdivia's employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant was required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other aggrieved employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law. As a result, Mr. Valdivia and other aggrieved employees are further entitled to liquidated damages for unpaid wages pursuant to California Labor Code § 1194.2(a).

Meal Period Violations

As described in detail above, Defendant failed to provide Mr. Valdivia and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant failed to authorize and permit Mr. Valdivia and other aggrieved employees to take all required and compliant rest periods due to Defendant's unlawful rest period policies and practices. *See* Labor Code §§ 226.7 and 516; Wage Order 16. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Expenditures

As described above, Defendant required Mr. Valdivia to use his personal cellular phone and personal tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law. Defendant's policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 16, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Valdivia and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Mr. Valdivia will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Valdivia own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Valdivia and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Valdivia and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 1720-1861 by failing to pay the prevailing rate of per diem wages to Mr. Valdivia and the other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Valdivia and other aggrieved employees;
- e) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required and paid rest periods and failing to pay rest period premiums to Mr. Valdivia and other aggrieved employees;
- f) Defendant violated Labor Code §2802, by failing to reimburse Mr. Valdivia and other aggrieved employees for all necessary business expenditures incurred in the discharge of their duties;
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Valdivia and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Valdivia and other aggrieved employees.

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

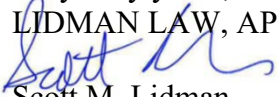
Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 3

EXHIBIT 3

PAGA SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or the “Settlement”) is reached by and between Plaintiff Jose Valdivia (“Plaintiff”), individually and on behalf of all Aggrieved Employees (defined below), on one hand, and Defendant Padilla Construction Company (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.”

By letter dated April 9, 2024, Plaintiff gave written notice via web submission to the Labor and Workforce Development Agency (“LWDA”) and by certified mail to Defendant of the specific provisions of the California Labor Code that Plaintiff alleged Defendant violated. A copy of Plaintiff’s April 9, 2024 letter to the LWDA is attached hereto as **Exhibit A**.

On April 9, 2024, Plaintiff filed a class action lawsuit in the San Diego County Superior Court against Defendant in the matter entitled *Jose Valdivia v. Padilla Construction Company*, Case No. 37-2024-00016674-CU-OE-CTL (the “Action”). The initial Complaint in the Action alleged the following causes of action: (i) failure to pay all overtime wages owed; (ii) failure to pay all minimum wages owed; (iii) failure to pay all prevailing wages; (iv) failure to provide meal periods; (v) failure to authorize and permit all rest periods; (vi) failure to indemnify all necessary business expenditures; and (vii) unfair competition.

On June 14, 2024, Plaintiff submitted to the LWDA a supplemental letter alleging further violations of the Labor Code. A copy of Plaintiff’s June 14, 2024 letter to the LWDA is attached hereto as **Exhibit B**.

On June 14, 2024, Plaintiff filed a First Amended Complaint (“FAC”) adding a cause of action under the California Private Attorneys General Act (“PAGA”) based on the Labor Code violations alleged in his April 9, 2024 and June 14, 2024 letters to the LWDA and an additional cause of action for failure to provide accurate, itemized wage statements.

Based on the existence of an arbitration agreement between Plaintiff and Defendant, Plaintiff’s individual claims were ordered to arbitration, and the class allegations were dismissed. As such, the only remaining cause of action is the claim for penalties under the PAGA. Defendant denies Plaintiff’s claims in their entirety.

Given the uncertainty and cost of litigation, Plaintiff and Defendant wish to settle the lawsuit and the PAGA Released Claims (defined below), both individually and on behalf of the Aggrieved Employees. Accordingly, Plaintiff and Defendant agree as follows:

1. **Aggrieved Employees.** For the purposes of this Settlement Agreement only, Aggrieved Employees means:

All current and former hourly, non-exempt employees of Defendant Padilla Construction Company who worked in California at any time from April 9, 2023 through the date the Court grants approval of this settlement.

For purposes of this Settlement Agreement, the “PAGA Period” shall mean the time period between April 9, 2023 through the date the Court enters an order approving this settlement, unless

Defendant elects to close the PAGA Period earlier pursuant to the Escalator Clause at Section 3(E), below).

2. **Release by Aggrieved Employees and Plaintiff.** Plaintiff and every Aggrieved Employee will fully and forever completely discharge Defendant, its past and present corporate affiliates, subsidiaries, divisions, related entities, divested businesses and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys (collectively, the “Released Parties”), as follows:

- A. PAGA Release: Aggrieved Employees, including Plaintiff, will release and discharge Defendant and the Released Parties from all civil penalties available under PAGA based on the facts alleged in the Action and alleged in the letters to the LWDA dated April 9, 2024 and June 14, 2024 (collectively, the “PAGA Released Claims”). The time period for the release of the PAGA Release against the Released Parties shall be the same time period as the PAGA Period. Aggrieved Employees may not opt-out of the PAGA Release.
- B. General Releases by Plaintiff: In consideration for Defendant’s promises and obligations under this Agreement, Plaintiff agrees to a general and comprehensive release of all of his known and unknown claims against the Released Parties, including, without limitation, all claims that were or could have been alleged in the Complaints in the Action under any state law, federal law, common law, equity or other theory arising in any way out of Plaintiff’s employment with Defendant or any of the Released Parties. As part of this release, Plaintiff further releases all unknown claims against Defendant and any of the Released Parties, covered by California Civil Code Section 1542, which states:

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.

Plaintiff understands that his is an individual, “creditor” and “releasing party” within the meaning of Civil Code section 1542, and thereby expressly waives and relinquishes any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Section 1542.

Notwithstanding the foregoing, the waiver and releases in this Agreement do not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers’ compensation claims; (ii) rights or claims arising after this Agreement is executed by Plaintiff; (iii) rights or claims arising out of this Agreement related to the enforcement thereof. The Agreement in no way affects Plaintiff’s entitlement and/or benefits to be received by Plaintiff in workers’ compensation pursuant to the jurisdiction of workers’ compensation.

- C. The releases identified herein shall become effective on the date Defendant fully funds the Gross Settlement Amount pursuant to the terms of this Agreement (the “Effective Date of the Releases”). Upon the Effective Date of the Releases, all Aggrieved Employees and the State of California shall be deemed to have, and by operation of the Order shall have, released, waived and relinquished the PAGA Released Claims.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a “Gross Settlement Amount” of Two Hundred Eighty Thousand Dollars and Zero Cents (\$280,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement. This engagement is expressly conditioned on Phoenix Settlement Administrator’s agreement to comply with all responsibilities and deadlines set forth in this Agreement and/or any orders of the Court with respect to the same. All settlement administration costs shall be paid from the Gross Settlement Amount.
- B. This Settlement shall become effective on the “Effective Date” which is defined as the date upon entry of an Order by the Court approving this Settlement Agreement.
- C. Defendant shall deposit the Gross Settlement Amount (including any increase to the Gross Settlement Amount pursuant to the Escalator Clause if such increase is triggered and elected by Defendant pursuant to Section 3.E., below) into a Qualified Settlement Fund established by the Settlement Administrator.
- D. This is a **non-reversionary** settlement. The Gross Settlement Amount includes:
 - (1) All payments to the Aggrieved Employees;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Five Thousand Five Hundred Dollars and Zero Cents (\$5,500.00);
 - (3) An amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff’s enhancement award, in recognition of his contributions to the Action, and his service to the Aggrieved Employees, and Plaintiff’s additional releases. Even in the event that the Court reduces or does not approve the requested enhancement award, Plaintiff shall not have the right to revoke this Settlement Agreement, and this Settlement shall remain binding;
 - (4) Up to one-third of the Gross Settlement Amount (including one-third of any increase to the Gross Settlement Amount pursuant to the Escalator Clause) in Plaintiff’s counsel’s attorneys’ fees (estimated to be \$93,333.33), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no

greater than Twelve Thousand Dollars and Zero Cents (\$12,000.00). In the event that the Court reduces or does not approve the requested Plaintiff's attorneys' fees or costs, Plaintiff and his counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

- (5) One Hundred Sixty-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$161,666.67) of the Gross Settlement Amount has been set aside by the Parties as "PAGA Civil Penalties". Per Labor Code § 2699(i), as it applies to claims filed at the time of Plaintiff's, seventy-five percent (75%) of such penalties, or One Hundred Twenty-One Thousand Two Hundred Fifty Dollars and Zero Cents (\$121,250.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Forty Thousand Four Hundred Sixteen Dollars and Sixty-Seven Cents (\$40,416.67), will be payable to Aggrieved Employees as the "PAGA Amount," as described below.

- E. **Escalator Clause.** In preparation for the Parties' mediation, Defendant represented that there were approximately 458 Aggrieved Employees who worked approximately 12,837 pay periods between April 9, 2023 and December 17, 2024. Plaintiff and his counsel extrapolated this figure to assume that these Aggrieved Employees worked approximately 13,327 pay periods between April 9, 2023 and January 21, 2025, the date of the Parties' mediation. If the actual number of pay periods during the PAGA Period is more than 10% greater than this figure (i.e., there are more than 14,660 pay periods worked by the Aggrieved Employees), Defendant will either, at its option: (1) increase the Gross Settlement Amount by a proportional amount above the 10% figure (i.e., if there was 11% increase in the number of pay periods during the PAGA Period, Defendant would agree to increase the Gross Settlement Amount by 1%); or (2) elect to shorten the PAGA Period and release periods to end on the date on which the aggregate pay periods is closest to without exceeding 14,660 pay periods worked by the Aggrieved Employees.

Within ten (10) business days of the Settlement Administrator's receipt of the Employee Data, the Settlement Administrator shall notify Defendant's counsel and Plaintiff's counsel if the Escalator Clause is triggered. In the event the Escalator Clause is triggered, Defendant shall notify Plaintiff's counsel of their election to increase the Gross Settlement Amount or shorten the relevant release periods within seven (7) business days of notification that the Escalator Clause is triggered.

4. **Payments to the Aggrieved Employees.** Aggrieved Employees are not required to submit a claim form to receive a payment (the "PAGA payment") from the Net Settlement Amount (as defined below). PAGA payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Plaintiff's counsel's attorneys' fees,

Plaintiff's counsel's costs and expenses, Plaintiff's enhancement award, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount."

- B. One Hundred Sixty-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$161,666.67) of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. Each Aggrieved Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Aggrieved Employee's number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Aggrieved Employees.
- C. Within ten (10) calendar days following Defendant fully funding the Gross Settlement Amount, the Settlement Administrator will calculate PAGA payment amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail PAGA payments to Aggrieved Employees.
- D. All PAGA payments shall be designated as 100% penalties and reported on an IRS Form 1099. The Settlement Administrator will be responsible for issuing to Aggrieved Employees IRS Forms 1099 for the PAGA payments. Each Aggrieved Employee who receives a PAGA payment will be solely responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. Notwithstanding the treatment of the payments to each Aggrieved Employee above, none of the payments called for by this Settlement Agreement, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

Each Aggrieved Employee who receives a PAGA payment must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any checks not cashed within this time shall be promptly cancelled by the Settlement Administrator. Any PAGA payment returned to the Settlement Administrator as non-delivered shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within 5 business days of receiving the returned PAGA payment.

- E. Any funds payable to Aggrieved Employees whose checks were not cashed within 180 days after mailing will be given as a cy pres award to Legal Aid at Work.
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount of one-third of the Gross Settlement Amount (including one-third of any increase of the Gross Settlement Amount pursuant to the Escalator Clauses above if triggered and such increase is elected by Defendant); the award of attorneys' fees is currently estimated to be Ninety-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$93,333.33). Defendant will not oppose Plaintiff's request for costs incurred in prosecuting this Action in an amount not to exceed Twelve Thousand Dollars and Zero Cents (\$12,000) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement. Plaintiff's counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Plaintiff's Enhancement Award.** Defendant will not oppose Plaintiff's request for an enhancement award in the amount Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff for his time and risk in prosecuting this Action, his service to the Aggrieved Employees, and his additional releases. This award will be in addition to Plaintiff's PAGA payment and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested enhancement award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendant agrees to the appointment of Phoenix Settlement Administrators as the Settlement Administrator, expressly conditioned on Phoenix Settlement Administrator's agreement to comply with all responsibilities and deadlines set forth in this Agreement and/or any orders of the Court with respect to the same. Defendant will not object to Plaintiff's request to pay the Settlement Administrator Five Thousand Five Hundred Dollars and Zero Cents (\$5,500.00) from the Gross Settlement Amount for its services. The Settlement Administrator shall be responsible for sending notices and for calculating PAGA payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after it has fulfilled all obligations imposed by this Agreement and any orders of the Court with respect thereto, including, without limitation, after PAGA payments have been mailed to all Aggrieved Employees.

8. **Notice to Settlement Class.** Following approval, the Aggrieved Employees shall be notified as follows:

- A. Within thirty (30) calendar days after entry of an order approving this Settlement Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment and/or sufficient information for the Settlement Administrator to determine the number of PAGA Pay Periods for each Aggrieved Employee and agrees to make best efforts to provide this information in excel format (collectively referred to as the "PAGA Data"). The PAGA Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Aggrieved Employees through the National Change of Address (“NCOA”) database to determine any updated addresses for Aggrieved Employees; (ii) update the address of any Aggrieved Employee for whom an updated address was found through the NCOA search; (iii) calculate the estimated PAGA payment for each Aggrieved Employee; and (iv) mail a Notice Packet in both English and Spanish to each Aggrieved Employee at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. No Right to Opt-Out. The Parties agree that there is no statutory right for any Aggrieved Employee to opt-out or otherwise exclude himself or herself from the Settlement.
- D. Notice of PAGA Payment. Each Notice Packet mailed to an Aggrieved Employee shall disclose the amount of the Aggrieved Employee’s estimated PAGA payment.

Any Notice Packets returned to the Settlement Administrator as non-delivered shall be re-mailed to the forwarding address, if any, affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Aggrieved Employee immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee. If an Aggrieved Employee’s Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, nothing else shall be required of, or done by, the Settlement Administrator, the Parties, Plaintiff’s counsel, or Defendant’s counsel to provide notice of the settlement.

9. **No Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. In particular, but without limiting the generality of the foregoing, nothing about this Settlement Agreement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendant and/or the Released Parties, and it shall not be construed as or deemed to be evidence of, or an admission or concession that any Aggrieved Employee has suffered any damage. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement.

The Parties understand and agree that this Settlement Agreement is the result of a good faith compromise of disputed claims, and no part of this Settlement Agreement, or any conduct or written or oral statements made in connection with this Settlement Agreement, whether or not the settlement is finally approved and/or consummated, or the negotiations leading to the Settlement

Agreement, or any document filed or exchanged in support thereof should be construed as an admission or concession of any kind by Defendant or of any of the Released Parties. If approval of this Settlement Agreement does not occur, the Parties agree that this Settlement Agreement is void but remains protected by California Evidence Code Section 1152.

10. **Legal Developments.** The Parties agree that Plaintiff will submit to the Court a motion for approval of this Settlement containing all of the terms and conditions contained herein notwithstanding any new legal developments regarding the Released Claims.

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

12. **Attorneys' Fees.** In the event of any dispute arising out of the interpretation, performance, or breach of any provision of this Settlement Agreement, the prevailing party in such dispute(s) shall be entitled to recover her and/or its reasonable attorneys' fees and costs incurred arising from such dispute. All Parties agree that the forum for such disputes shall be the Court in which this Action is pending. This provision only applies to the Parties identified in this Settlement Agreement and does not apply to the unidentified Aggrieved Employees.

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

if to Defendant: Kyle D. Kring and Kerri N. Kramer of Kring & Associates, APC,
38 Corporate Park, Irvine, California 92606;
kkring@kringandassociates.com,
kkramer@kringandassociates.com, and
eserve@kringandassociates.com.

if to Plaintiff: Scott M. Lidman, Milan Moore and Tiara Gose-Hardy of Lidman
Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California
90245; slidman@lidmanlaw.com, mmoore@lidmanlaw.com, and
tgose@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive,
Suite 180, El Segundo, California 90245;
phaines@haineslawgroup.com

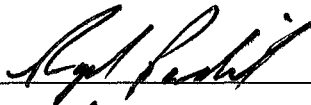
14. **Cooperation and Attorney Authorization.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed. The Parties further agree that they authorize their attorneys to execute any subsequent amendments to this Agreement as may be required by the Court to secure approval of the same.

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

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

DATED: 7/17/25

DEFENDANT PADILLA CONSTRUCTION
COMPANY

By: 
Its: 

DATED: Mar 25, 2025

PLAINTIFF JOSE VALDIVIA

By: Jose Valdivia
Jose Valdivia (Mar 25, 2025 12:54 PDT)
Plaintiff

APPROVED AS TO FORM:

DATED: 7/17/2025

KRING & ASSOCIATES, APC



By: _____
Kyle D. Kring
Kerri N. Kramer
Attorneys for Defendant PADILLA
CONSTRUCTION COMPANY

DATED: March 25, 2025

HAINES LAW GROUP, APC



By: _____
Paul K. Haines
Attorneys for Plaintiff JOSE VALDIVIA

DATED: March 25, 2025

LIDMAN LAW, APC



By: _____
Scott M. Lidman
Attorneys for Plaintiff JOSE VALDIVIA

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 9, 2024

VIA LWDA WEBSITE

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

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Padilla Construction Company
c/o Ralph Padilla
1620 N. Brian Street
Orange, CA 92867

Re: *Jose Valdivia v. Padilla Construction Company*

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Valdivia files a civil lawsuit seeking civil penalties.

Defendant does business as a construction company. Mr. Valdivia, a current employee, has been employed by Defendant as a non-exempt employee since approximately 1993. Mr. Valdivia is a Foreman and his job duties include without limitation, laying stucco, mixing material, putting up metal/wood, and providing assistance to the cement crew.

During his employment with Defendant, Mr. Valdivia was not paid for time worked prior to arriving at his designated worksite during the workday. For example, Mr. Valdivia often was required to pick up his co-workers at 4:00 a.m. and arrive at the job worksite by 7:00 a.m. arrive. Despite this compensable work at the yard and then traveling to the worksite, Defendant only paid Mr. Valdivia starting from the time he arrived at the job worksite (*i.e.* 7:00 a.m.). Similarly, Mr. Valdivia was never paid for compensable time worked traveling from the job worksite to dropping off the other employees at the end of the shift, which took typically more than 3 hours depending on traffic.

Defendant maintained a uniform policy or practice of failing to accurately record all time worked by Mr. Valdivia and similarly situated employees. Instead, Defendant maintained a uniform policy or practice of requiring Mr. Valdivia to sign in on handwritten timesheets at the job worksite, but not record his actual time the employee started working and stopped working. Because Mr. Valdivia was required to pick up employees prior to arriving at the job worksite, which took approximately 3 hours and then drop off other employees after leaving the job worksite, which typically took another 3 hours, Defendant failed to pay Mr. Valdivia for all compensable work time. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant not paying Mr. Valdivia for all wages owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Defendant would keep track of Mr. Valdivia's time worked and would unlawfully shave Mr. Valdivia's work time and/or round Mr. Valdivia's work time such that Mr. Valdivia would not be fully paid for all time worked. Specifically, as a result of the use of handwritten timesheets, Defendant directed Mr. Valdivia to only record rounded hours and not his actual start and stop time. Moreover, Mr. Valdivia was required to write down his scheduled hours on his time sheet, resulting in the same hours being reported every day. This time shaving/rounding practice utilized by Defendant was not-even handed over time and would round and shave in Defendant's favor such that Mr. Valdivia was routinely underpaid for his time worked. Further, during Mr. Valdivia's employment with Defendant, he often worked in excess of 8 hours per workday and/or 40 hours per work week, and therefore, had Mr. Valdivia been properly paid for all of the time that he actually worked, he would have been paid additional minimum and/or overtime wages. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant paying Mr. Valdivia less than he was owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Mr. Valdivia was not provided all required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute first meal periods before the end of the fifth hour of work. Specifically, Mr. Valdivia is informed and believes, and thereon alleges, that as a result of Defendant's failure to consider the compensable time worked before arriving at the job worksite as time worked for purposes of providing a meal period before the end of the fifth hour of work, the meal periods were untimely or otherwise unlawful. Further, Defendant's meal period policies and practices fail to provide Mr. Valdivia and the other non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Valdivia worked in excess of 10.0 hours, he was not provided with a second 30-minute meal period in violation of California law.

Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Valdivia was also not authorized and permitted to take all required rest periods due to Defendant's rest period policies and practices. Specifically, while at the worksites Defendant combined Mr. Valdivia's rest periods with his meal period and provided one single hour break. Accordingly, Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*.

On those occasions when Mr. Valdivia was not authorized and permitted to take all legally-compliant rest periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

Defendant also failed to reimburse Mr. Valdivia and other non-exempt employees for necessary business expenses incurred during the relevant time period. Specifically, Defendant required Mr. Valdivia to use his personal cellular phone and tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or use personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law, as mandated by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.

During his employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant were required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work/government projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other non-exempt employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Overtime Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As a result of the policies/practices described above, Mr. Valdivia and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Minimum Wage Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 16, § 4. Mr. Valdivia and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices, as alleged above. These practices

resulted in Defendant not paying Mr. Valdivia and other aggrieved employees for all wages owed for work performed, including failing to pay all required minimum wages.

Failure to Pay All Prevailing Wages

The California Prevailing Wage Law, California Labor Code §§ 1720-1861, requires that employers with public contracts pay their laborers, workers, and mechanics on public works projects the general prevailing rate of per diem wages, including overtime at least at the rate of one and one-half the basic rate of pay, as determined by the Director of Industrial Relations, employer payment for health and welfare, pension, vacation, travel, and subsistence. Cal. Lab. Code §§ 510, 1173, 1773. As described above, during Mr. Valdivia's employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant was required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other aggrieved employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law. As a result, Mr. Valdivia and other aggrieved employees are further entitled to liquidated damages for unpaid wages pursuant to California Labor Code § 1194.2(a).

Meal Period Violations

As described in detail above, Defendant failed to provide Mr. Valdivia and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant failed to authorize and permit Mr. Valdivia and other aggrieved employees to take all required and compliant rest periods due to Defendant's unlawful rest period policies and practices. *See* Labor Code §§ 226.7 and 516; Wage Order 16. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Expenditures

As described above, Defendant required Mr. Valdivia to use his personal cellular phone and personal tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law. Defendant's policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 16, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Valdivia and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Mr. Valdivia will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Valdivia own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Valdivia and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Valdivia and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 1720-1861 by failing to pay the prevailing rate of per diem wages to Mr. Valdivia and the other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Valdivia and other aggrieved employees;
- e) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required and paid rest periods and failing to pay rest period premiums to Mr. Valdivia and other aggrieved employees;
- f) Defendant violated Labor Code §2802, by failing to reimburse Mr. Valdivia and other aggrieved employees for all necessary business expenditures incurred in the discharge of their duties;
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Valdivia and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Valdivia and other aggrieved employees.

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

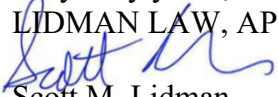
Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT B

EXHIBIT B

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245
OFFICE: (424) 322-4772
FAX: (424) 322-4775

June 14, 2024

VIA LWDA WEBSITE

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

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

KRING & CHUNG, LLP

Kyle Krings
Kerri N. Kramer
38 Corporate Park
Irvine, California 92606

*Attorneys for Defendant Padilla Construction
Company*

Re: *Jose Valdivia v. Padilla Construction Company*
Supplemental LWDA Letter
LWDA Case No. LWDA-CM-1021349-24

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. Defendant’s numerous violations of the Labor Code as set forth below and in his prior correspondence to the Labor and Workforce Development Agency (“LWDA”) dated April 9, 2024 (the “LWDA Letter”). Attached hereto as **Exhibit A** is a true and correct copy of the LWDA Letter and is incorporated herein by reference. By this letter, Mr. Valdivia hereby supplements his prior LWDA Letter. The purpose of the LWDA Letter and the instant supplement letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the LWDA of the specific provisions of the Labor Code allegedly violated.

Wage Statement Violations

Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Valdivia and other Aggrieved Employees during the relevant time period. Defendant’s failure to furnish Mr. Valdivia and other Aggrieved Employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant’s reported data. Defendant knowingly

and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Valdivia and other Aggrieved Employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, and total meal and rest period premium wages, in violation of Labor Code § 226 *et seq.*

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

Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 9, 2024

VIA LWDA WEBSITE

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

**VIA U.S. CERTIFIED MAIL – RETURN
RECEIPT REQUESTED**

Padilla Construction Company
c/o Ralph Padilla
1620 N. Brian Street
Orange, CA 92867

Re: *Jose Valdivia v. Padilla Construction Company*

To Whom It May Concern:

Please be advised that this law firm represents Jose Valdivia (“Mr. Valdivia”) in claims arising from his employment with Padilla Construction Company (“Defendant”). Mr. Valdivia is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, an “aggrieved employee” should be considered to include all current and former hourly, non-exempt employees working for Defendant in California during the one year immediately preceding the date of this letter through the present date, and continuing through a civil judgment if the LWDA takes no action and Mr. Valdivia files a civil lawsuit seeking civil penalties.

Defendant does business as a construction company. Mr. Valdivia, a current employee, has been employed by Defendant as a non-exempt employee since approximately 1993. Mr. Valdivia is a Foreman and his job duties include without limitation, laying stucco, mixing material, putting up metal/wood, and providing assistance to the cement crew.

During his employment with Defendant, Mr. Valdivia was not paid for time worked prior to arriving at his designated worksite during the workday. For example, Mr. Valdivia often was required to pick up his co-workers at 4:00 a.m. and arrive at the job worksite by 7:00 a.m. arrive. Despite this compensable work at the yard and then traveling to the worksite, Defendant only paid Mr. Valdivia starting from the time he arrived at the job worksite (*i.e.* 7:00 a.m.). Similarly, Mr. Valdivia was never paid for compensable time worked traveling from the job worksite to dropping off the other employees at the end of the shift, which took typically more than 3 hours depending on traffic.

Defendant maintained a uniform policy or practice of failing to accurately record all time worked by Mr. Valdivia and similarly situated employees. Instead, Defendant maintained a uniform policy or practice of requiring Mr. Valdivia to sign in on handwritten timesheets at the job worksite, but not record his actual time the employee started working and stopped working. Because Mr. Valdivia was required to pick up employees prior to arriving at the job worksite, which took approximately 3 hours and then drop off other employees after leaving the job worksite, which typically took another 3 hours, Defendant failed to pay Mr. Valdivia for all compensable work time. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant not paying Mr. Valdivia for all wages owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Defendant would keep track of Mr. Valdivia's time worked and would unlawfully shave Mr. Valdivia's work time and/or round Mr. Valdivia's work time such that Mr. Valdivia would not be fully paid for all time worked. Specifically, as a result of the use of handwritten timesheets, Defendant directed Mr. Valdivia to only record rounded hours and not his actual start and stop time. Moreover, Mr. Valdivia was required to write down his scheduled hours on his time sheet, resulting in the same hours being reported every day. This time shaving/rounding practice utilized by Defendant was not-even handed over time and would round and shave in Defendant's favor such that Mr. Valdivia was routinely underpaid for his time worked. Further, during Mr. Valdivia's employment with Defendant, he often worked in excess of 8 hours per workday and/or 40 hours per work week, and therefore, had Mr. Valdivia been properly paid for all of the time that he actually worked, he would have been paid additional minimum and/or overtime wages. This practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Valdivia, and also resulted in Defendant paying Mr. Valdivia less than he was owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout Mr. Valdivia's employment with Defendant, Mr. Valdivia was not provided all required meal periods due to Defendant's meal period policies and practices, which fail to provide 30-minute first meal periods before the end of the fifth hour of work. Specifically, Mr. Valdivia is informed and believes, and thereon alleges, that as a result of Defendant's failure to consider the compensable time worked before arriving at the job worksite as time worked for purposes of providing a meal period before the end of the fifth hour of work, the meal periods were untimely or otherwise unlawful. Further, Defendant's meal period policies and practices fail to provide Mr. Valdivia and the other non-exempt employees a second meal period for shifts over 10.0 hours. As a result, when Mr. Valdivia worked in excess of 10.0 hours, he was not provided with a second 30-minute meal period in violation of California law.

Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Valdivia was also not authorized and permitted to take all required rest periods due to Defendant's rest period policies and practices. Specifically, while at the worksites Defendant combined Mr. Valdivia's rest periods with his meal period and provided one single hour break. Accordingly, Defendant's rest period policies and practices fail to authorize and permit paid rest periods for every four hours worked, *or major fraction thereof*.

On those occasions when Mr. Valdivia was not authorized and permitted to take all legally-compliant rest periods to which he was entitled, Defendant failed to compensate Mr. Valdivia with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

Defendant also failed to reimburse Mr. Valdivia and other non-exempt employees for necessary business expenses incurred during the relevant time period. Specifically, Defendant required Mr. Valdivia to use his personal cellular phone and tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or use personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law, as mandated by *Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.

During his employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant were required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work/government projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other non-exempt employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Overtime Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As a result of the policies/practices described above, Mr. Valdivia and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Minimum Wage Violations

Defendant was required to pay Mr. Valdivia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 16, § 4. Mr. Valdivia and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices, as alleged above. These practices

resulted in Defendant not paying Mr. Valdivia and other aggrieved employees for all wages owed for work performed, including failing to pay all required minimum wages.

Failure to Pay All Prevailing Wages

The California Prevailing Wage Law, California Labor Code §§ 1720-1861, requires that employers with public contracts pay their laborers, workers, and mechanics on public works projects the general prevailing rate of per diem wages, including overtime at least at the rate of one and one-half the basic rate of pay, as determined by the Director of Industrial Relations, employer payment for health and welfare, pension, vacation, travel, and subsistence. Cal. Lab. Code §§ 510, 1173, 1773. As described above, during Mr. Valdivia's employment with Defendant, Defendant contracted and entered into contracts, either as a prime contractor or as a subcontractor, to perform public work throughout the State of California covered by the California Prevailing Wage Law. Defendant was required to pay, and ensure payment of, the prevailing rate of per diem wages to Mr. Valdivia and the other non-exempt employees performing work on public work projects covered by the California Prevailing Wage Law. However, Defendant paid Mr. Valdivia his hourly rate of pay. Therefore, Defendant failed to pay Mr. Valdivia and the other aggrieved employees the prevailing rate of per diem wages including overtime and employee benefits or the value of the employee benefits included in per diem wages, that they are entitled to receive under the California Prevailing Wage Law. As a result, Mr. Valdivia and other aggrieved employees are further entitled to liquidated damages for unpaid wages pursuant to California Labor Code § 1194.2(a).

Meal Period Violations

As described in detail above, Defendant failed to provide Mr. Valdivia and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Valdivia was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Valdivia and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant failed to authorize and permit Mr. Valdivia and other aggrieved employees to take all required and compliant rest periods due to Defendant's unlawful rest period policies and practices. *See* Labor Code §§ 226.7 and 516; Wage Order 16. As a result, Mr. Valdivia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Failure to Reimburse Necessary Expenditures

As described above, Defendant required Mr. Valdivia to use his personal cellular phone and personal tools to discharge his duties. Accordingly, despite the non-exempt employees being required to use their personal cellular phone and/or personal tools, Defendant did not reimburse Mr. Valdivia or other non-exempt employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of their duties, or of their obedience to the directions of the employer in violation of California law. Defendant's policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 16, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Valdivia and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Mr. Valdivia will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Valdivia own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Valdivia and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Valdivia and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 1720-1861 by failing to pay the prevailing rate of per diem wages to Mr. Valdivia and the other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Valdivia and other aggrieved employees;
- e) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required and paid rest periods and failing to pay rest period premiums to Mr. Valdivia and other aggrieved employees;
- f) Defendant violated Labor Code §2802, by failing to reimburse Mr. Valdivia and other aggrieved employees for all necessary business expenditures incurred in the discharge of their duties;
- g) Defendant violated Labor Code § 204 by failing to pay Mr. Valdivia and other aggrieved employees all earned wages at least twice during each calendar month; and
- h) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Valdivia and other aggrieved employees.

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

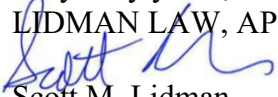
Very truly yours,
LIDMAN LAW, APC

Scott M. Lidman

EXHIBIT 4

EXHIBIT 4

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Jose Valdivia v. Padilla Construction Company

Superior Court of California, County of San Diego Case No. 37-2024-00016674-CU-OE-CTL

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX -

I. NOTICE OF PAGA SETTLEMENT

The San Diego County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Jose Valdivia (“Plaintiff”) on behalf of himself and all other aggrieved employees.

In this lawsuit, Plaintiff sought to recover civil penalties for alleged violations of the California Labor Code on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the California Private Attorneys General Act (the “PAGA”). These civil penalties are based on Plaintiff’s allegations that Defendant Padilla Construction Company (“Defendant”): (1) failed to pay all overtime compensation earned; (2) failed to pay the statutory minimum wage for all hours worked; (3) failed to pay the prevailing rate of per diem wages; (4) failed to provide all legally required meal periods and failed to pay meal period premiums; (5) failed to provide all legally required and paid rest periods and failed to pay rest period premiums; (6) failed to reimburse for all necessary business expenditures incurred in the discharge of duties; (7) failed to pay all earned wages at least twice during each calendar month; (8) failed to maintain accurate records; and (9) issued inaccurate wage statements, and as a result is liable for civil penalties under the PAGA.

The Court has ***not*** made a determination about the merits of Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

Defendant denies all of Plaintiff’s claims and allegations. It maintains that it was in compliance with the California Labor Code at all times and entered into the Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees,” which is defined as: “all current and former hourly, non-exempt employees of Defendant Padilla Construction Company who worked in California at any time from April 9, 2023 through **[INSERT DATE OF APPROVAL]**.”

II. INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a pro rata basis (*i.e.*, proportional) based on the number of pay periods worked by each Aggrieved Employee in the PAGA Period. Your individual PAGA payment has been calculated at \$**[AMOUNT PAID TO THIS EMPLOYEE]**. Your payment is enclosed with this Notice.

Please Note: One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties reported on an IRS Form 1099, and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax

consequences, if any, of your individual PAGA payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your Individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

III. RELEASE

The Court has approved the Parties' Settlement Agreement ("Settlement"). By operation of the Settlement's terms, Plaintiff, the State of California and all Aggrieved Employees, including you, have released and discharged Defendant Padilla Construction Company and its past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys (collectively, the "Released Parties") from any and civil penalties available under PAGA based on the facts alleged in the Action and alleged in the letters to the LWDA dated April 9, 2024 and June 14, 2024. This includes claims for (1) failure to pay all overtime compensation earned; (2) failure to pay the statutory minimum wage for all hours worked; (3) failure to pay the prevailing rate of per diem wages; (4) failure to provide all legally required meal periods and failed to pay meal period premiums; (5) failure to provide all legally required and paid rest periods and failed to pay rest period premiums; (6) failure to reimburse for all necessary business expenditures incurred in the discharge of duties; (7) failure to pay all earned wages at least twice during each calendar month; (8) failure to maintain accurate records; and (9) issuance of inaccurate wage statements ("PAGA Released Claims"). The time period for the release of PAGA Released Claims against the Released Parties is the time period between April 9, 2023 and [the date the court enters an order approving the settlement].

Upon entry of the Order approving the Settlement, any Aggrieved Employee covered by this Agreement (including you) will be barred from proceeding against Defendant with any of the PAGA Released Claims released by this Settlement, which means claims for civil penalties, but not claims for unpaid wages or statutory penalties recoverable under the Labor Code and/or Wage Orders for the violations alleged in this Lawsuit.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator, Phoenix Settlement Administrators at [ADMINISTRATOR INFO] with any questions.

Settlement checks will be void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California State Controller's Office under the unclaimed property laws in the name of the Aggrieved Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT 5

EXHIBIT 5

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $i_{\frac{1}{2}}$ Years Out of Law School $i_{\frac{1}{2}}$ is calculated from June 1 of each year, when most law students graduate. $i_{\frac{1}{2}}1-3$ " includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $i_{\frac{1}{2}}4-7$ " applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $i_{\frac{1}{2}}1-3$ " from June 1, 1996 until May 31, 1999, would move into tier $i_{\frac{1}{2}}4-7$ " on June 1, 1999, and tier $i_{\frac{1}{2}}8-10$ " on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 6

EXHIBIT 6

Expense Summary
Jose Valdivia v. Padilla Construction Company

EXPENSE	AMOUNT
Mediation Costs (including Plaintiff's portion of mediator expenses)	\$10,000.00
Filing, Service and Messenger Fees	\$859.62
Copying Costs	\$15.75
Postage Costs	\$31.55
Anticipated Costs (costs for court appearances, filing of instant motion, service fees, copying and postage)	\$450.00
TOTAL:	\$11,356.92

EXHIBIT 7

EXHIBIT 7

From: no-reply@formassembly.com
To: [Marlyn Ajanel](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Thursday, July 31, 2025 12:45:05 PM

07/31/2025 12:44:36 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 07/31/2025 12:44:36 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1021349-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

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Attorneys for Plaintiff
JOSE VALDIVIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

JOSE VALDIVIA, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

PADILLA CONSTRUCTION COMPANY, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 37-2024-00016674-CU-OE-CTL

*[Assigned for all purposes to the Hon. Loren G.
Freestone, Dept. C-64]*

**PROOF OF SERVICE ON THE LWDA RE:
PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR SETTLEMENT
APPROVAL OF CLAIMS BROUGHT
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT**

Complaint Filed: April 9, 2024
Trial Date: None Set

PROOF OF SERVICE

Jose Valdivia v. Padilla Construction Company

San Diego County Superior Court Case No. 37-2024-00016674-CU-OE-CTL

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is [X] 2155 Campus Drive, Suite 150, El Segundo, California 90245.

On July 31, 2025, I served the foregoing document(s) described as:

1. PAGA SETTLEMENT AGREEMENT

2. NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

on the interested party(ies) in this action as follows:

Labor and Workforce Development Agency
1515 Clay Street, Ste. 801
Oakland, CA 94612
<http://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

[X] (BY ELECTRONIC TRANSMISSION) I caused a true and correct copy of the document(s) described above to be electronically transmitted to the Labor and Workforce Development Agency ("LWDA") by uploading them to the LWDA's online system, under LWDA Case No. 1021349-24.

[X] (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on July 31, 2025, at El Segundo, California.



Marlyn Ajanel