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Attorney for Plaintiff Daniel Volrich,
on behalf of himself and all “aggrieved employees”
pursuant to Labor Code § 2698 *et seq.*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

DANIEL VOLRICH, on behalf of himself
and all “aggrieved employees” pursuant to
Labor Code § 2698 *et seq.*,

Plaintiff,

v.

AFFINITY GROUP LLC d/b/a AFFINITY
RECOVERY, a California limited liability
company, and DOES 1 through 10,
inclusive,

Defendants.

CASE NO: 30-2024-01405245-CU-OE-CXC

Assigned to the Honorable Layne H. Melzer,
CX102

**DECLARATION OF EVAN S GAINES IN
SUPPORT OF UNOPPOSED MOTION FOR
AN ORDER APPROVING SETTLEMENT
OF CLAIMS BROUGHT PURSUANT TO
THE PRIVATE ATTORNEYS GENERAL
ACT OF 2004, AWARDING ATTORNEYS’
FEES, COSTS, AND REIMBURSEMENT
OF SETTLEMENT ADMINISTRATION
EXPENSES, AND DISMISSING ACTION
WITH PREJUDICE**

Date: January 29, 2026

Time: 2:00 p.m.

Dept.: CX102

Reservation Number 74658491

Complaint Filed: June 10, 2024

DECLARATION OF EVAN S. GAINES

I, EVAN S. GAINES, hereby declare and state as follows:

1. I am an attorney duly admitted to the practice of law in the State of California. I am the principal of Gaines Law Corporation, counsel for Plaintiff Daniel Volrich (“Plaintiff”) in this action. I have personal knowledge of the facts set forth herein and if called as a witness to testify to them, I could and would do so competently.

Counsel’s Experience and Recommendation:

2. I obtained my BA degree from the University California at Santa Barbara in 2005. I majored in Film Studies.

3. Thereafter, I attended the Michigan State University College of Law (“MSU”). At MSU, I was the recipient of jurisprudence awards (highest grade) in Client Counseling and Interviewing and Complex Civil Litigation. At MSU, I focused my studies on complex litigation. I earned my JD and became a member of the California Bar in 2012.

4. After becoming a member of the Bar, I practiced law with my father (Kenneth S. Gaines) and brother (Daniel F. Gaines) at Gaines & Gaines, APLC. In January 2024, I started my own law firm, Gaines Law Corporation. My practice specializes in litigation, with an emphasis in employment disputes like this one. Over 95% of my practice is devoted to complex employment litigation similar to the instant action.

5. My firm has represented employees in employment matters such as this one, with an emphasis in wage and hour issues. I have participated, and have been certified as Court-approved class counsel, in dozens of class and representative action matters since my admission to the Bar. A true and correct list of some of the cases in which I have been appointed as class counsel is attached hereto as **Exhibit “A”**.

Background and Procedural History

6. Defendant provides group home recovery services in Orange County, where Plaintiff worked.

1 7. Defendant employed Plaintiff as a non-exempt employee from approximately from
2 September 2022 to March 2024. The Aggrieved Employees are all current and former non-exempt
3 employees who worked for Affinity Group LLC in the State of California at any time from April
4 4, 2023 through March 6, 2025.

5 8. Plaintiff asserts claims that Defendant failed to pay all wages earned by Plaintiff and
6 Aggrieved Employees, failed to provide Plaintiff and Aggrieved Employees with legally compliant
7 meal and rest periods, or compensation in lieu thereof, failed to issue accurately itemized wage
8 statements to Plaintiff and Aggrieved Employees, and failed to timely pay Plaintiff and Aggrieved
9 Employees all wages due at the separation of their employment. Plaintiff asserts these claims under
10 PAGA, on behalf of himself, individually, and on behalf of the State of California and other
11 Aggrieved Employees, and civil penalties for the alleged Labor Code violations for Plaintiff and
12 Aggrieved Employees.

13 **Compliance with Procedural Requirements of PAGA:**

14 9. On April 4, 2024, pursuant to Labor Code section 2699.3, Plaintiff gave written
15 notice by online filing with the LWDA and by certified mail, return receipt requested, to Defendant,
16 of the specific provisions of the Labor Code alleged to have been violated, including the facts and
17 theories to support the alleged violation. A true and correct copy of the April 4, 2024 notice letter
18 to the LWDA are attached hereto as **Exhibit B**.

19 10. On April 30, 2024, Plaintiff filed a supplemental letter with the LWDA that alleged
20 an additional claim for failure to pay all wages due. A true and correct copy of the April 30, 2024
21 supplemental notice letter to the LWDA are attached hereto as **Exhibit C**.

22 11. Thereafter, on June 10, 2024, Plaintiff filed a Representative Action complaint in
23 this Court alleging claims individually and pursuant to PAGA on behalf of himself and Aggrieved
24 Employees alleging the claims in the LWDA Letter.

25 12. On July 5, 2024, and after the LWDA declined to take action within the statutorily
26 permissible time with respect to Plaintiff's April 30, 2024 Supplemental LWDA Letter, Plaintiff
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1 filed a First Amended Representative Action (“FAC”) that added the claims, allegations, and
2 compliance with the April 30, 2024 Supplemental LWDA Letter.

3 **Counsel’s Diligence In Advance of, and In Connection With, Settlement Negotiations:**

4 13. I engaged in targeted, informal discovery of Defendant’s alleged Labor Code
5 violations, which specifically evaluated the strength and value of the PAGA claims in preparation
6 for a resolution of this Action.

7 14. I obtained and reviewed (i) relevant policy documents relating to the employment
8 of Plaintiff and Aggrieved Employees; and (ii) excel payroll and time data relating to the number
9 of alleged violations, including the Aggrieved Employee size.

10 15. Based on the information received, as well as through discussions with Defendant’s
11 Counsel, I was able to (i) determine the total number of distinct individuals falling within the
12 definition of “Aggrieved Employee” for the relevant statutory period and (ii) construct a damage
13 model that calculated the maximum amount of PAGA penalties that could be levied against
14 Defendant within the PAGA Release Period based on employee time and pay period data produced
15 by Defendant. At all relevant times, Defendant has disputed Plaintiff’s claims and contested both
16 the existence of, and extent of liability as alleged by Plaintiff.

17 16. My experience in litigating similar “representative” wage and hour claims, the
18 degree of investigation that was conducted here, the amount of data that was obtained, and the
19 discussions guided by mediation was sufficient to determine the potential value of the PAGA claim
20 and to evaluate the strength of this claim for purposes of settlement. Defendant, however, disputed
21 Plaintiff’s claims and disputed both the existence of and extent of liability as alleged by Plaintiff.

22 17. On March 6, 2025, the Parties participated in a mediation session with an
23 experienced and reputable retired jurist and wage and hour and PAGA action mediator, Brandon
24 Coen, Esq. During the mediation, the Parties engaged in arm’s-length negotiations and reached a
25 resolution of the PAGA claims asserted in this Action with the assistance of Mr. Coen.

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1 **Settlement Terms:**

2 18. The Parties jointly prepared and executed a Private Attorneys General Act (Labor
3 Code § 2698 et seq.) Settlement Agreement (the “Settlement” or “Settlement Agreement”). A true
4 and correct copy of the Settlement is attached hereto as **Exhibit D**.

5 19. Defendant agrees to settle the PAGA matter for the payment of \$150,000
6 (hereinafter the “PAGA Gross Settlement Amount,” payable by Defendant, which shall be all
7 inclusive, encompassing (i) all payments to the LWDA and Aggrieved Employees, (ii) any and all
8 costs of third-party administration of the settlement, and (iii) Plaintiff’s Counsel’s attorneys’ fees
9 and costs of suit.

10 20. By a separate agreement, the Confidential Settlement Agreement and Release of All
11 Claims, the Parties have resolved all of Plaintiff’s individual claims through a comprehensive
12 general release in favor of Defendant. Counsel is not to be paid any attorney’s fees or costs from
13 the individual settlement. The separate individual settlement agreement provide an amount,
14 separate from the PAGA Gross Settlement Amount, to resolve Plaintiff’s individual claims against
15 Defendant. It is not an amount that is part of the PAGA Gross Settlement Amount to be approved.

16 21. The total sum available for payment of PAGA penalties shall be calculated by
17 deducting from the \$150,000 PAGA Gross Settlement Amount, the projected \$50,000 for the
18 payment of Plaintiff’s Counsel’s fees, up to \$6,528.64 for the payment of Plaintiff’s Counsel’s
19 costs, and the costs of administration not to exceed \$2,900, which yields \$90,571.36, and of which
20 seventy-five percent (75%) or \$67,928.52, shall be distributed to the LWDA, and the remaining
21 twenty-five percent (25%) or \$22,642.84, shall be distributed to the Aggrieved Employees.

22 22. The Settlement Agreement has allocated the settlement administration fees up to
23 \$2,900.

24 23. All Aggrieved Employees will receive a pro rata share of the \$22,642.84 allocated
25 to them, which shall be distributed based on the number of pay periods each Aggrieved Employee
26 worked for Defendant in California during the PAGA Release Period. Although these calculations
27 will not be made until after approval, a rough estimation of the value to the approximately 115
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1 individuals falling within the definition of “Aggrieved Employee” may be gleaned from the fact
2 that an equal division would provide about \$196.68 to each Aggrieved Employee, net of payments
3 to the LWDA, the Settlement Administrator, and attorney’s fees and costs. The LWDA will be
4 paid a substantial \$67,928.52.

5 24. Finally, under the terms of the Settlement Agreement, the value of checks uncashed
6 more than 180 days after issuance shall be remitted to the Unclaimed Property Fund of the
7 California State Controller’s Office to be held in the name of the Aggrieved Employee. I attest that
8 my office regularly receives calls from class members or aggrieved employees years after a case
9 has settled to inquire about obtaining their settlement share because they did not cash their check
10 in time, lost their check, or never received their check. By remitting the unclaimed checks to the
11 State Controller, the Aggrieved Employees have a chance to receive their individual settlement
12 payment after the check cashing deadline.

13 25. This case addresses violations of important employee protections embodied in the
14 California Labor Code – namely, that Defendant (1) failed to pay all wages due to Plaintiff and
15 Aggrieved Employees, in violation of Labor Code §§ 226.7, 227.3, 246, 510, 512, 558, and 1194;
16 (2) failed to provide Plaintiff and Aggrieved Employees with legally compliant meal periods, or
17 compensation in lieu thereof, in violation of Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5,
18 and 1194; (3) failed to provide Plaintiff and Aggrieved Employees with legally compliant rest
19 periods, or compensation in lieu thereof, in violation of Labor Code § 226.7; (4) failed to issue
20 accurately itemized wage statements to Plaintiff and Aggrieved Employees, in violation of Labor
21 Code §§ 226(a) and 226.3; (5) failed to timely pay Plaintiff and Aggrieved Employees all wages
22 due at the separation of their employment, in violation of Labor Code §§ 201-202.

23 26. Defendant’s realistic maximum theoretical exposure in this Action, without stacking
24 penalties, totals approximately \$307,100 computed by multiplying 3,071 aggregate pay periods by
25 \$100 each. There is no California authority that expressly permits the practice of counting multiple
26 violations/penalties that occur within the same pay period, known as “stacking” penalties.
27 Plaintiff’s Counsel is aware of no court that has actually stacked such PAGA penalties for multiple
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1 violations (meaning the “market” for PAGA settlements is based on no stacking of penalties) and
2 given the circumstances of this case, it is unlikely that this Court would impose a massive penalty
3 by stacking the PAGA penalty claims against Defendant. Although stacking penalties is not
4 unlawful, the majority of cases that address awards of PAGA penalties focus on the court’s
5 discretion to reduce awards. Based thereon, the non-stacking/one penalty per pay period is an
6 appropriate evaluation for maximum potential exposure in this case.

7 27. Defendant was not notified by the Labor Commissioner or any court that it was
8 subject to the California Labor Code, and has not been previously cited by the Labor Commissioner
9 for Labor Code violations. Therefore, any violations prior to Plaintiff’s April 4, 2024 and April 30,
10 2024 LWDA letters are not subject to heightened penalties.

11 28. Furthermore, Defendant contends it acted within the requirements of California law
12 at all times as to all Aggrieved Employees. In particular, Defendant contend that it paid all
13 employees all wages due. Defendant also contends that it maintains compliant meal and rest break
14 practices. Defendant further contends that not every pay period at issue involved an alleged Labor
15 Code violation subject to civil penalties. Moreover, Defendant maintained that even if the Court
16 did award penalties, the Court could and would *substantially* reduce the penalties awarded based
17 on the discretionary factors contained in Labor Code § 2699(e)(2) (“In any action by an aggrieved
18 employee . . . , a court may award a lesser amount than the maximum civil penalty amount specified
19 by this part if, based on the facts and circumstances of the particular case, to do otherwise would
20 result in an award that is unjust, arbitrary and oppressive, or confiscatory.”).

21 29. Based on these disputes, which had the potential to completely eliminate Plaintiff’s
22 recovery, the range of realistic “litigation outcomes” on the Plaintiff’s PAGA claim was defined
23 by a “maximum possible liability” amount of approximately \$307,100, and a net-zero recovery
24 based on the defenses asserted by Defendant. Notwithstanding the existence of such issues, the
25 Settlement achieves a significant benefit – approximately 49% recovery of the maximum possible
26 liability. As such, this factor weighs very heavily in favor of resolution by way of the compromise
27 set forth in the Settlement Agreement.

1 **Attorneys' Fees:**

2 30. My office is submitting an attorney fee request of one-third of the PAGA Gross
3 Settlement Amount (projected to be \$50,000) Based on a projected final lodestar of \$52,990, this
4 yields a “negative multiplier” of approximately 1.06 over the \$50,000 fee request. The billing rate
5 used to compute the lodestar are reasonable in view of the evidence submitted herewith. A true
6 and correct copy of my firm’s time-task chart is attached hereto as **Exhibit E**.

7 31. As detailed in the first few paragraphs of this declaration, I have practiced law in
8 California since 2012 and most of that time has been dedicated exclusively to representing
9 employees in wage and hour matters, many of which have been litigated and resolved in the PAGA
10 and class action contexts. My reasonable hourly rate is \$700, which is commensurate with my
11 education and experience.

12 32. This case was taken on a contingency basis with the real risk that my office would
13 receive no compensation whatsoever for our efforts. The potential costs which we can be required
14 to advance in wage and hour representative actions like this one are substantial. Furthermore, as
15 described above, my firm has extensive experience in representative action litigation, particularly
16 in the employment context, and as detailed herein, the Aggrieved Employees and the State of
17 California reaped significant benefits. The success achieved by the Settlement supports my firm’s
18 fee request.

19 33. This Court can undoubtedly appreciate that litigating a representative action case in
20 dynamic, ever-changing areas of law is not appealing to most lawyers, particularly when the
21 plaintiff’s lawyer undertakes the obligation to finance the litigation and effectively bears the risk in
22 the event of an unsuccessful outcome, at trial or otherwise. This case was taken on a contingency
23 basis with the real risk that my office would receive no compensation whatsoever for our efforts.
24 The potential costs which we can be required to advance in wage and hour actions like this one are
25 substantial.

26 34. Notwithstanding the existence of issues having the potential to eliminate recovery
27 on the PAGA claim, the Settlement Agreement not only achieves a recovery that exceeds typical
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1 PAGA awards routinely approved by the courts, but it also recovers monies for Aggrieved
2 Employees which they otherwise would not receive.

3 35. Representative action work also requires specialized learning and the willingness to
4 take large risks. I have extensive experience in wage and hour representative action litigation,
5 particularly in the employment context, as detailed herein.

6 36. Furthermore, as described above, the Aggrieved Employees and the State of
7 California reaped significant benefits. The success achieved by the Settlement supports my firm's
8 fee request.

9 37. As a sole practitioner, I can only properly litigate a limited number of cases at one
10 time. The requirements of this case were significant. Had I not reached a settlement with Defendant,
11 the demands of this case would have required a significant portion of my limited resources. I was
12 precluded from taking other employment cases due to the demands of litigating this case.

13 38. I am sharing Attorney's fees with two separate firms as follows: 66 2/3% to Gaines
14 Law Corporation; 16 2/3% to Gaines & Gaines, APLC, and 16 2/3% to Law Offices of Alex P.
15 Katofsky, APC.

16 **Counsel's Costs:**

17 39. My firm's total costs are \$6,528.64 and include, among other expenses, filing fees,
18 postage, future costs, and mediation fees. A true and correct copy of an itemized list of costs
19 incurred by my firm in this action is attached hereto as **Exhibit F**. These costs were reasonably
20 incurred in litigating this matter.

21 **Upload to LWDA Website**

22 40. Concurrently with the filing of this Motion, I am transmitting the Settlement
23 Agreement (and these approval documents) to the LWDA, in compliance with Labor Code §
24 2699(l)(2). Evidence of submission is attached hereto as **Exhibit G**.

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1 I declare, under penalty of perjury, under the laws of the State of California, that the
2 foregoing is true and correct. Executed on September 16, 2025, at Westlake Village, California.

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4 
EVAN S. GAINES

EXHIBIT A

Adams v. Sam's West, Inc., San Bernardino County Superior Court, Case No. CIVDS1403987

Amenhotep v. Google, Inc., Santa Clara County Superior Court, Case No. 17CV311528

Anaya v. Progressive Logistics Services, LLC, Riverside County Superior Court, Case No. RIC1308270

Aranda, et al. v. Universal Lumpers of California, Inc., San Joaquin County Superior Court, Case No. STK-UOE-2017-7826

Armendariz v. Integrated Pain Management Medical Group, Inc., Kern County Superior Court, Case No. BCV-19-100267-SDS

Barrow, et al. v. Desmond Foods, L.P., Sacramento County Superior Court, Case No. 34-2015-00187227

Bosser v. Hooked on Solar, Yolo County Superior Court, Case No. CVCV-2016-876

Bourland v. Horizon Personnel Services, Inc., Sacramento County Superior Court, Case No. 34-2014-00161365-CU-OE-GDS

Bowen v. IMI Material Handling Logistics, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-0000192

Branson v. Mladen Buntich Construction, San Bernardino County Superior Court, Case No. CIVDS1609129

Calhoun v. Celadon Trucking Services, Inc., USDC – Central District of California (Los Angeles), Case No. 5:16-cv-01351-PSG-FFM

Carlisle, et al. v. Professional Technical Security Services, Inc., Case No. CGC18569791

Carrillo v. Bimbo Bakeries, Inc., San Bernardino County Superior Court, Case No. CIVDS1606813

Cheifer, et al. v. WHGM, Inc., Los Angeles County Superior Court, Case No. LC104900

Contreras v. Osmose Utilities Services, Inc., San Bernardino County Superior Court, Case No. CIVDS1513998

Contreras v. West American Service Corporation, Kings County Superior Court, Case No. 14C0280

Cowen, et al. v. Evergreen Alliance Golf Limited, L.P., d/b/a Arcis Golf, San Bernardino County Superior Court, Case No. CIVDS1719283

Cunningham v. Performance Contracting, Inc., Contra Costa County Superior Court, Case No. C16-02157

Dabney v. Coneybeare, LLC, et al., Orange County Superior Court, Case No. 30-2018-00999989-CU-OE-CXC

Dabney, et al. v. Panera, LLC., San Bernardino County Superior Court, Case No. CIVDS1516030

Esakhani v. Central Valley Gaming, Stanislaus County Superior Court, Case No. 2020667

Espinosa v. Taltech Construction, et al., Los Angeles County Superior Court, Case No. BC590176

Espinosa v. Bodycote Thermal Processing, Inc., Los Angeles County Superior Court, Case No. BC501617

Espinoza v. Pabco Building Products, LLC, Los Angeles County Superior Court, Case No. VC065660

Friel v. Midwest Construction Services, Inc., San Joaquin County Superior Court, Case No. 39-2015-00329204-CU-OE-STK

Gagnon v. Banc of California, Contra Costa County Superior Court, Case No. C 15-00196

Geer v. Applied Aerospace Structures Corp., San Joaquin County Superior Court, Case No. 39-2014-00313702-CU-OE-STK

Getz v. California Cinema Investments, Inc., Ventura County Superior Court, Case No. 56-2013-00437706-CU-MC-VTA

Guerrero v. Main Electric Supply Company LLC, Ventura County Superior Court, Case No. 56-2019-00525427-CU-OE-VTA

Gutierrez v. Asset Management Specialists, Inc., Fresno County Superior Court, Case No. 12CECG03577

Hurtado v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC427672

Ibrihim v. Imperfect Foods, Inc., San Joaquin County Superior Court, Case No. STK-VI-UOE-2019-0000846

Jenkins v. Sedgwick Claims Management Services, Inc., Los Angeles Superior Court, Case No. LC101648

Job v. California Security Services, Yuba County Superior Court, Case No. 14-0000820

Kunsman v. Punch Bowl Sacramento, LLC, et al., Sacramento County Superior Court, Case No. 34-2018-00243175

LaFear v. Encore Education Corporation, San Bernardino County Superior Court, Case No. CIVDS1802251

Lanzarin v. AWI Management Corporation, Solano County Superior Court, Case No. FCS041809

Lewis v. American Casino & Entertainment Properties LLC, San Bernardino County Superior Court, Case No. CIVDS1719094

Leon v. Piercey West Inc., Los Angeles County Superior Court, Case No. BC656874

Lingad v. Top Quality Manufacturing, LLC, Los Angeles County Superior Court, Case No. 24STCV03079

Lopez v. Go Green Auto Spa Franchise, Inc., et al., Los Angeles County Superior Court, Case No. BC 562212

Macias v. American Tire Distributors, Inc., Kern County Superior Court, Case No. BCV-18-101586

Mayne v. John Muir Behavioral Health, Contra Costa County Superior Court, Case No. C17-00998

Molina v. Berkshire Hathaway Energy Company, et al., Imperial County Superior Court, Case No. ECU000522

Myles v. Central Transport LLC, San Bernardino County Superior Court, Case No. CIVDS1401434

Ochoa v Agusa, Kings County Superior Court, Case No. 24CU0042

Rambeau v. C.C.M. Corporation, et al., Sacramento County Court, Case No. 34-2018-00244842

Rankins v. Roman Empire Living Skills, Inc., Los Angeles County Superior Court, Case No. BC713399

Richard v. A-Para Transit Corp., Alameda County Superior Court, Case No. HG17870373

Roden v. Service Champions, San Bernardino County Superior Court, Case No. CIVDS1613183

Sebrell v. Pomeroy IT Solutions, San Bernardino County Superior Court, Case No. CIVDS1721560

Seymour v. Quest Service Group, LLC, Sacramento County Superior Court, Case No. 34-2017-00206917

Smith v. Steelcase, Inc., San Bernardino County Superior Court, Case No. CIVDS1725850

Sohal v. Foster Poultry Farms, Stanislaus County Superior Court, Case No. 2026605

Solorzano v. FDS Manufacturing Corporation, Los Angeles County Superior Court, Case No. BC542532

Spitzer, et al. v. FRHI Hotels & Resorts (Canada) Inc., San Bernardino County Superior Court, Case No. CIVDS1712220

Thompson v. Sidhu Truck Line, Inc., Kern County Superior Court, Case No. BCV-15-101308-DRL

Tripp v. California Guest Services, Inc., Plumas County Superior Court, Case No. CV16-00036

Valdez v. Diamond Landscaping, Inc., Los Angeles County Superior Court, Case No. BC497097

Valencia v. American Team Managers, Inc., Orange County Superior Court, Case No. 30-2016-00857365-CU-CR-CXC

Warner v. Waterdrops Express Car Wash, LLC, Tulare County Superior Court, Case No. 265708

White v. Sally Beauty Supply, LLC, Imperial County Superior Court, Case No. ECU08177

Winningham v. Storer Transportation Service, San Joaquin County Superior Court, Case No. 39-2015-00324708-CU-STK

Woods, et al. v. F&B Innovations, LLC, San Bernardino County Superior Court, Case No. CIVDS1717765

Wright v. Social Vocational Services, Inc., Kern County Superior Court, Case No. BCV-15-101264

EXHIBIT B

April 4, 2024

Via Certified Mail

Labor & Workforce Development Agency
By online submission

Affinity Group LLC dba Affinity Recovery
620 Newport Center Dr., Ste 1450
Newport Beach, CA 92660

Defendant mailed certified # 9589071052700763984798

Agent for Service of Process for Affinity Group LLC dba Affinity Recovery
Amanda Garcia
330 N. Brand Avenue
Glendale, CA 91203

Agent mailed certified # 9589071052700763984804

Re: ***Labor Code Violations of Affinity Group LLC dba Affinity Recovery
Compliance Letter of California Labor Code § 2698 - Private Attorneys General
Act***

Dear LWDA:

This office represents Daniel Volrich, a former non-exempt California employee of Affinity Group LLC dba Affinity Recovery ("Defendant"). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client was employed by Defendant in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and its other non-exempt California employees ("Aggrieved Employees").

Defendant failed to pay correct premium wages to our client and other Aggrieved Employees who were denied proper meal periods, in violation of Labor Code §§ 226.7, 512, and 558, and IWC Wage Order 4-2001. Our client and other Aggrieved Employees were routinely denied, and not authorized to take, a timely, uninterrupted, 30-minute meal period for every shift worked that exceeded five hours, or a second timely, uninterrupted, 30-minute meal period for every shift worked that exceeded ten hours, but were not paid premium wages of one hour's pay at the proper rate of pay for each missed first or second meal period. Our client and Aggrieved Employees were simply denied the vast majority of their entitled meal periods. Furthermore, even if they did not take a meal period, Defendant would adjust their timesheets to clock them out for 30-minutes (and therefore show a legally compliant meal period) even though our client and Aggrieved Employees worked during that time, thereby resulting in uncompensated time, unpaid wages, and inaccurate records. This violates Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194 and IWC Wage Order 4-2001.

Labor & Workforce Development Agency
Tustin Buick GMC, Inc.
Greg Wanlass
April 4, 2024
Page 2

Defendant also failed to pay correct premium wages to our client and other Aggrieved Employees who were denied rest periods, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001. Our client and other Aggrieved Employees were routinely unable to take a 10-minute rest period for every four (4) hours of work or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest period. Due to the busy nature of their work, our client and were simply denied and not authorized to take their legally entitled rest periods and were never paid premium wages for missed rest periods. This violates Labor Code § 226.7 and IWC Wage Order No. 4-2001.

Our client further alleges that Defendant failed to provide him and other Aggrieved Employees with wage statements that fully and accurately itemized the requirements set forth in Labor Code §§ 226(a) and 226.3. Our client and other Aggrieved Employees were not paid all meal and rest period premium wages due, as stated above. As such, the wage statements provided by Defendant failed to accurately state all gross wages earned, in violation of Labor Code §§ 226(a)(1) and 226.3, total hours worked, in violation of Labor Code §§ 226(a)(2) and 226.3, net wages earned, in violation of Labor Code §§ 226(a)(5) and 226.3, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked, in violation of Labor Code §§ 226(a)(9) and 226.3.

Our client further alleges that Defendant failed to pay all wages due to him and certain Aggrieved Employees at the separation of employment based on the time frames required by Labor Code §§ 201 and 202. As stated above, our client and certain Aggrieved Employees were not paid all wages due during the course of their employment and, as a result of this failure, they were not timely paid all wages due at the separation of their employment. This violates Labor Code §§ 201-202 and is alleged on behalf of our client and certain Aggrieved Employees no longer employed by Defendant.

The \$75 PAGA filing fee has been submitted to the LWDA concurrently with the transmission of this letter.

We invite Defendant or its attorneys to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Very truly yours,

GAINES LAW CORPORATION

By: 

EVAN S. GAINES

EXHIBIT C

April 30, 2024

Via Certified Mail

Labor & Workforce Development Agency
By online submission

Affinity Group LLC dba Affinity Recovery
620 Newport Center Dr., Ste 1450
Newport Beach, CA 92660

Defendant mailed certified # 9589071052700506686279

Agent for Service of Process for Affinity Group LLC dba Affinity Recovery
Amanda Garcia
330 N. Brand Avenue
Glendale, CA 91203

Agent mailed certified # 9589071052700506686286

Re: ***Labor Code Violations of Affinity Group LLC dba Affinity Recovery Compliance
Letter of California Labor Code § 2698 - Private Attorneys General Act
LWDA Case No. LWDA-CM-1020382-24***

Dear LWDA:

This letter supplements our previous correspondence sent on April 9, 2024 and alleges additional claims.

This office represents Daniel Volrich, a former non-exempt California employee of Affinity Group LLC dba Affinity Recovery (“Defendant”). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client was employed by Defendant in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and its other non-exempt California employees (“Aggrieved Employees”).

Our client alleges that Defendant failed to properly blend bonuses and other non-base hourly wages earned by our client and other Aggrieved Employees into their regular rate of pay for purposes of paying them meal and rest period premiums, overtime wages, vacation wages, and sick pay wages at the correct rates, in violation of Labor Code §§ 226.7, 227.3, 246, 510, 512, 558, and 1194. Defendant paid our client and other Aggrieved Employees bonuses and other non-base hourly wages, however, Defendant failed to properly blend these wages, and instead pay our client and other Aggrieved Employees meal and rest period premiums, overtime wages, vacation wages, and sick pay wages based only on the base hourly rate of pay, thus depriving our client and other Aggrieved Employees of all meal and rest period premiums, overtime wages, vacation wages, and sick pay wages earned. This violates Labor Code §§ 226.7, 227.3, 246, 510, 512, 558, and 1194.

Defendant failed to pay correct premium wages to our client and other Aggrieved Employees who were denied proper meal periods, in violation of Labor Code §§ 226.7, 512, and 558, and IWC Wage Order 4-2001. Our client and other Aggrieved Employees were routinely denied, and not authorized to take, a timely, uninterrupted, 30-minute meal period for every shift worked that exceeded five hours, or a second timely, uninterrupted, 30-minute meal period for every shift worked that exceeded ten hours, but were not paid premium wages of one hour's pay at the proper rate of pay for each missed first or second meal period. Our client and Aggrieved Employees were simply denied the vast majority of their entitled meal periods. Furthermore, even if they did not take a meal period, Defendant would adjust their timesheets to clock them out for 30-minutes (and therefore show a legally compliant meal period) even though our client and Aggrieved Employees worked during that time, thereby resulting in uncompensated time, unpaid wages, and inaccurate records. This violates Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194 and IWC Wage Order 4-2001.

Defendant also failed to pay correct premium wages to our client and other Aggrieved Employees who were denied rest periods, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001. Our client and other Aggrieved Employees were routinely unable to take a 10-minute rest period for every four (4) hours of work or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest period. Due to the busy nature of their work, our client and were simply denied and not authorized to take their legally entitled rest periods and were never paid premium wages for missed rest periods. This violates Labor Code § 226.7 and IWC Wage Order No. 4-2001.

Our client further alleges that Defendant failed to provide him and other Aggrieved Employees with wage statements that fully and accurately itemized the requirements set forth in Labor Code §§ 226(a) and 226.3. Our client and other Aggrieved Employees were not paid all meal and rest period premium wages due, as stated above. As such, the wage statements provided by Defendant failed to accurately state all gross wages earned, in violation of Labor Code §§ 226(a)(1) and 226.3, total hours worked, in violation of Labor Code §§ 226(a)(2) and 226.3, net wages earned, in violation of Labor Code §§ 226(a)(5) and 226.3, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked, in violation of Labor Code §§ 226(a)(9) and 226.3.

Our client further alleges that Defendant failed to pay all wages due to him and certain Aggrieved Employees at the separation of employment based on the time frames required by Labor Code §§ 201 and 202. As stated above, our client and certain Aggrieved Employees were not paid all wages due during the course of their employment and, as a result of this failure, they were not timely paid all wages due at the separation of their employment. This violates Labor Code §§ 201-202 and is alleged on behalf of our client and certain Aggrieved Employees no longer employed by Defendant.

Labor & Workforce Development Agency
Affinity Group LLC dba Affinity Recovery
Amanda Garcia
April 30, 2024
Page 3

Very truly yours,

GAINES LAW CORPORATION

By: 

EVAN S. GAINES

cc: Rudolph G. Klapper, Esq. (by e-mail only)

EXHIBIT D

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 ET SEQ.)
SETTLEMENT AGREEMENT

Subject to the approval of the Court, this Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff **Daniel Volrich**, acting in a private attorney general capacity, on behalf of the State of California on behalf of himself and all PAGA Settlement Employees, and Defendant **Affinity Group LLC** (collectively, the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter entitled *Daniel Volrich v. Affinity Group LLC*, pending in the Orange County Superior Court of the State of California, Case No. 30-2024-01405245-CU-OE-CXC.

2. “Complaint” means the First Amended Complaint in the Action.

3. “Defendant” means Affinity Group LLC.

4. “Effective Date” of the Settlement means the date by which all of the following have occurred: (1) The Court has approved the Settlement; and (2) The Court has entered the Final Order approving the motion to approve the PAGA Gross Settlement Amount in the Agreement sought by the Parties, if no objection is made by the State of California acting through the LWDA, or if an objection by the State of California is made, but withdrawn.

5. “Final Order” refers to: (1) the final Court order entered granting approval of this PAGA Settlement Agreement, which will be sought by the Parties through a motion for purposes of approval of the PAGA Gross Settlement Amount in the Agreement; (2) the Court adopting and approving this Agreement under the on the specific terms provided herein or as may be modified by subsequent agreement of the Parties and entry of judgment; (3) the Court entering judgment approving the parties’ motion to approve the PAGA Gross Settlement Amount in the Agreement and dismissal all of Plaintiff’s claims with prejudice in their entirety including Plaintiff’s non-PAGA individual claims; and (4) the Court retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of the Settlement.

6. “PAGA Gross Settlement Amount” is the sum of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), which represents the total amount payable by Defendant Affinity Group LLC under this Settlement Agreement for the release of the Released Claims and includes payments to all PAGA Settlement Employees, payment to the LWDA, payment of Plaintiff’s attorneys’ fees and costs, and payment to the Settlement Administrator. Under no circumstances shall the PAGA Gross Settlement Amount exceed \$150,000.00. Nor shall Defendant be required to pay more pay more than the PAGA Gross Settlement Amount to obtain the relief (including, but not limited to, the Settlement, releases of claims, issuance of the Final Order, dismissing all of Plaintiff’s claims with prejudice in their entirety), provided in this Agreement or to fully and finally settle and resolve the Released Claims.

7. “Individual PAGA Payment” means the pro rata amount to be paid to each PAGA Settlement Employee from the twenty-five percent (25%) portion of the PAGA Payment allocated to employees; such individual share to be based on the number of pay periods during which a PAGA Settlement Employee worked for Affinity Group LLC during the PAGA Period.

8. “LWDA” means the California Labor and Workforce Development Agency.

9. “LWDA Letters” means the letters Plaintiff submitted to the LWDA on April 4, 2024 and April 30, 2024.

10. “Net Settlement Amount” or “PAGA Payment” is the amount remaining to distribute to the LWDA and PAGA Settlement Employees after the following amounts, if approved by the Court, are subtracted from the PAGA Gross Settlement Amount: (a) Plaintiff’s Attorneys’ Fees of up to 33 1/3% of the PAGA Gross Settlement Amount (projected to be Fifty Thousand Dollars and Zero Cents (\$50,000)); (b) Plaintiff’s Costs up to Ten Thousand Dollars and Zero Cents (\$10,000.00); and (c) PAGA Settlement Administration costs not to exceed Two Thousand Nine Hundred Dollars and Zero Cents (\$2,900.00).

11. “Parties” means Plaintiff and Defendant.

12. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*

13. “PAGA Period” means the time period from April 4, 2023 through March 6, 2025. As of March 6, 2025, Affinity Group LLC estimated there were approximately 3,071 weekly pay periods worked during the PAGA Period by approximately 115 PAGA Settlement Employees. Final updated figures will be provided to the Settlement Administrator following the approval of the settlement.

14. “PAGA Representative Counsel” means Gaines Law Corporation, located at 4550 East Thousand Oaks Boulevard, Suite 100, Westlake Village, California 91362.

15. “PAGA Settlement Employee” or “PAGA Settlement Employees” means and includes all current and former non-exempt employees who worked for Affinity Group LLC in the State of California during the PAGA Period.

16. “Plaintiff” means Daniel Volrich.

17. “QSF” means qualified settlement fund.

18. “Released Claims” means all claims, rights, demands, liabilities, and causes of action for civil penalties recoverable under PAGA, that were asserted or could have been asserted, assessed upon or collected from the Released Parties by or on behalf of Plaintiff, the PAGA Settlement Employees, the LWDA, the State of California, or any of its agencies, based on any of the facts or violations alleged in the Complaint or LWDA Letters, including claims for PAGA civil penalties under or based on any alleged violations of Labor Code sections: 201, 202, 226(a), 226(f), 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1198.5, and 2699, *et seq.*, the violation of any Industrial Welfare Commission Order, and any other claims asserted in the Action and operative Complaint.

19. “Released Parties” means Defendant Affinity Group LLC, its past and present officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims, demands, rights and liabilities as set forth above.

20. “Settlement Administrator” means ILYM Group, Inc.

21. “PAGA Settlement Administration Costs” means the cost, not to exceed Two Thousand Nine Hundred Dollars and Zero Cents (\$2,900.00), to be paid to the Settlement Administrator for administering the Settlement, including sending checks and Settlement Notices to the PAGA Settlement Employees.

22. “Settlement Notice” means an explanatory letter to be sent by the Settlement Administrator to PAGA Settlement Employees, substantially in the form attached hereto as **Exhibit A**.

II. RECITALS

1. Affinity Group LLC employed Plaintiff during the PAGA Period.

2. On April 4, 2024 and April 30, 2024, Plaintiff provided written notice to the LWDA and Defendant pursuant to Labor Code section 2699.3 of *inter alia* alleged violations of the California Labor Code and Industrial Welfare Commission Orders.

3. On June 10, 2024, Plaintiff filed the Action, pursuant to PAGA, on behalf of the State of California and other aggrieved employees alleging multiple violations of the California Labor Code and Industrial Welfare Commission Wage Orders by Defendant. It was subsequently amended on July 5, 2024.

4. Defendant generally denies all of Plaintiff’s allegations in the Action, including all Released claims, and further specifically denies that Defendant or any of the Released Parties committed or engaged in any misconduct, statutory or regulatory violations, wrongdoing, or other actionable conduct of any kind.

5. The Parties have independently analyzed and investigated the facts and law relevant to this case through informal discovery and substantial pre-mediation disclosures, including, but not limited to, the employment policies, procedures, and practices implicated by the Complaint and/or the LWDA Letters; a 25% sampling of all timekeeping and payroll records for employees on whose behalf the Complaint and/or the LWDA Letters are asserted by Plaintiff; and summaries of data pertaining to the number of employees allegedly affected by the policies, procedures, and practices implicated by the Complaint and/or the LWDA Letters.

6. After evaluating the strengths and weaknesses of their respective positions, after considering the time, expense, and risk associated with litigating this case to judgment, and after engaging in arm’s-length settlement negotiations through informed counsel and mediation, before a highly experienced PAGA mediator, Brandon Coen, Esq., the Parties agreed to fully and finally, and exclusively, resolve the Released Claims as to Plaintiff and the PAGA Settlement Employees, subject to Court approval.

This Settlement contemplates the entry of an Order by the Court approving the payment allocated for settlement of PAGA penalties to the LWDA, Plaintiff and PAGA Settlement Employees, and the dismissal with prejudice of the Action.

III. **OPERATIVE TERMS OF SETTLEMENT AGREEMENT**

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement or the judgment to be entered in this Action pursuant to the terms of this Settlement Agreement shall be construed to be an admission: (1) by Plaintiff that his claims do not have merit or (2) by Defendant of any liability or wrongdoing as to Plaintiff, the PAGA Settlement Employees or any other person, and Defendant generally denies any such liability or wrongdoing. Defendant specifically denies any liability to Plaintiff or any other allegedly aggrieved employee or PAGA Settlement Employee for any alleged violation of his/her/their rights, or for any alleged violation of any order, law, statute, duty or contract. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Affinity Group LLC shall pay One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) as the Gross Settlement Amount. Affinity Group LLC will not pay more than the Gross Settlement Amount, except as otherwise stated in this Agreement.

3. Defendant shall mail the Gross Settlement Amount to the Settlement Administrator , on the following installment schedule:

- (1) \$17,500 no later March 1, 2026;
- (2) \$17,500 no later April 1, 2026;
- (3) \$17,500 no later May 1, 2026;
- (4) \$17,500 no later June 1, 2026;
- (5) \$17,500 no later July 1, 2026;
- (6) \$17,500 no later August 1, 2026;
- (7) \$7,500 no later September 1, 2026;
- (8) \$27,500 no later October 1, 2026;

The Settlement Administrator shall **not** negotiate any checks until after receipt of the final installment due on October 1, 2026, in accordance with Section (IV) (3) below. Counsel for all parties will notify the Settlement Administrator regarding the Court's approval and confirm the timeline for the Settlement Administrator's disbursement of checks prior to settlement disbursement.

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the PAGA Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to be distributed to the LWDA and PAGA Settlement Employees:

- a. **Plaintiff's Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for Plaintiff's Attorneys' Fees of up to 33 1/3% of the PAGA Gross Settlement Amount (projected to be Fifty Thousand Dollars and Zero Cents (\$50,000.00)) and Plaintiff's Costs up to Ten Thousand Dollars (\$10,000.00) incurred in prosecuting this Action. In the event the Court approves a payment of less than the amount of fees and costs requested by Plaintiff, the difference will be added to the PAGA Payment.
- b. **Administration Cost.** Defendant will not oppose the Settlement Administrator's costs, not to exceed Two Thousand Nine Hundred Dollars and Zero Cents (\$2,900.00), for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the PAGA Payment.

5. **PAGA Payment.** A portion of the PAGA Payment will be allocated to the LWDA and the remainder will be allocated to PAGA Settlement Employees in settlement of the Released Claims. The PAGA Payment will be subject to Court approval consistent with California Labor Code section 2699.3(b)(4). The total sum available for PAGA Payment shall be \$87,100.00. Upon approval, the PAGA Payment shall be allocated as follows:

- a. Seventy-five percent (75%) of the PAGA Payment (\$65,325.00) will be paid to the LWDA, as required by California Labor Code section 2699(i).
- b. Twenty-five percent (25%) of the PAGA Payment (\$21,775.00) will be paid to the PAGA Settlement Employees, divided on a pro rata basis among them and distributed by the Settlement Administrator as Individual PAGA Payments, as required by California Labor Code section 2699(i).
- c. The payments will be reported as penalties on IRS Forms 1099 issued to the LWDA and each PAGA Settlement Employee. The Settlement Administrator will be responsible for issuing to PAGA Settlement Employees and PAGA Representative Counsel any 1099 or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.

6. **Representative PAGA Release.** Upon the Effective Date, Plaintiff, as an individual, and as the representative of the PAGA Settlement Employees, the LWDA and the State of California, hereby forever and completely releases and discharges the Released Parties of and from all of the Released Claims, and thus, Plaintiff, the PAGA Settlement Employees, LWDA and the State of California will be forever barred from pursuing any of the Released Claims defined herein against Released Parties which arose or may be alleged to have arisen at any time during periods of employment in a non-exempt position in California during the PAGA Period. Specifically, in exchange for the payments described in this Agreement, Plaintiff, on behalf of himself, the State of California, and the PAGA Settlement Employees, will release Released Parties from liability for any and all claims for civil penalties under the Released Claims related to the alleged Labor Code violations that may be brought under the PAGA. To the extent an alleged PAGA violation arises directly from the operative facts pled in the LWDA Letters and implicates the same primary rights and defenses being settled here except for Plaintiff's non-

PAGA, individual claims, those claims are settled and released to the fullest extent permitted under applicable law. The Parties understand and agree that this release is limited to the Released Claims and does not otherwise impact the individual non-PAGA rights or claims of the PAGA Settlement Employees. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in “a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding,” which the Final Order shall so reflect. Pursuant to *Arias* and *Cardenas v. McLane Foodservice, Inc.*, 796 F.Supp.2d 1246 (2011), the Final Order and judgment in this Action shall be binding on the PAGA Settlement Employees, LWDA, State of California and its agencies as to the Released Claims which arose during the PAGA Period, regardless of whether their settlement checks are cashed or not. The Parties further understand and agree that the continued effectiveness of this PAGA Release is contingent upon Defendant’s payment of the PAGA Gross Settlement Amount. If Defendant defaults on any of its payment obligations under this Agreement, the PAGA Release set forth in this paragraph shall become ineffective until such default is cured in full.

7. Section 1542 Waiver By Plaintiff

It is the intention of the Parties in executing this instrument that it shall be effective as a bar to each and every Claim specified in this Agreement except for Plaintiff’s non-PAGA individual claims which are governed by a separate agreement. In furtherance of this intention, Plaintiff hereby waives the provisions of Section 1542 of the California Civil Code, which provides as follows:

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.

8. Separate Release and Individual Settlement by Plaintiff. In addition to this Agreement, Plaintiff has entered into separate Confidential Settlement Agreement And General Release Of All Claims (“Individual Settlement Agreement”) with Defendant for all of his separate individual (non-PAGA) claims arising out of his employment with Defendant, in exchange for a full release of those claims. The Parties acknowledge and agree that the Individual Settlement Agreement and the covenants, promises and released claims contained therein shall not serve to modify or limit Plaintiff’s right to continue with this Action and seek the Court’s approval of this PAGA Settlement; however, Plaintiff shall have no right to be the representative of a class action lawsuit against Defendant. The Parties further agree that if for any reason the Effective Date does not occur with regard to this Settlement and/or the Final Order is not entered, then the Individual Settlement Agreement shall also be null and void.

9. Filing of Request for Approval of PAGA Settlement by Plaintiff’s Counsel

Plaintiff’s counsel shall be responsible for filing a motion for approval of the Settlement. Plaintiff shall provide the requisite notice of this Settlement Agreement to the LWDA on or before the date Plaintiff requests approval of this Settlement Agreement from the Court. If the Court

approves this Settlement, the Parties shall request that the Court enter a Final Order approving the settlement.

As part of the request to approve the Settlement, Plaintiff shall submit a proposed Order granting approval of this Settlement. The Court shall retain jurisdiction to enforce the terms of this Agreement. This Settlement is expressly conditioned upon the Court entering such a Final Order, approving this Settlement as set forth herein, and entry of judgment, disposing of the Action in its entirety and ensuring that this Settlement has a *res judicata* effect.

If Court approval is not given and the Final Order is not entered, under the specific terms requested and the Parties are unable to resolve the Court's concerns in a manner to which the Parties agree, this entire Agreement shall automatically be deemed null and void *ab initio*, and of no further force or effect.

If the Court does not grant the Parties' request for approval of the Settlement and issue the Order, under the specific terms requested, the Parties agree to request leave and work jointly to attempt to remedy the PAGA settlement in order to obtain the Court's approval, including to meet and confer within seven (7) calendar days of the Court's order and to work cooperatively to address the Court's concerns and determine whether resolution of the Released Claims can be obtained in a manner consistent with the Court's concerns and the parties' intent.

Plaintiff will defend against and agrees to cooperate in the defense against any appeal filed with respect to the Final Order or any attempt by any PAGA Settlement Employee or by any entity or agency to intervene in this matter or object to/opt out of this settlement.

Plaintiff shall submit a copy of the Order in this Action and a copy of any other order providing for or denying an award of civil penalties to the LWDA within 10 days after entry of the Order, in compliance with section 2699(1)(3) of the California Labor Code.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Settlement Administrator will be responsible for establishing a QSF and issuing payments and appropriate tax forms to PAGA Settlement Employees, the LWDA, and Plaintiff's counsel.

2. **Provision of Information for PAGA Settlement Employees.** Within twenty (20) calendar days after the Effective Date, Affinity Group LLC will provide the information regarding the PAGA Settlement Employees to the Settlement Administrator. This information will include the name, most recently known address, social security number, and total pay periods worked by each of the PAGA Settlement Employees in a non-exempt position in California during the PAGA Period. The Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

The Settlement Administrator will calculate the amount to be received by each PAGA Settlement Employee. Within ten (10) calendar days of the Effective Date, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each PAGA Settlement Employee, and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for PAGA Settlement Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the PAGA Settlement Employees' addresses.

Within ten (10) calendar days of the Effective date, or October 1, 2026, whichever is later, the Settlement Administrator will issue payments to: (a) PAGA Settlement Employees along with an explanatory letter accompanying the payment ("Settlement Notice"); (b) the LWDA; (c) Plaintiff's counsel; and (d) itself. The Settlement Notice shall be mailed to each PAGA Settlement Employee with their disbursement.

4. **Undeliverable Notices.** Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or social security number of the PAGA Settlement Employees involved, and will then perform a single re-mailing. Individual PAGA Payment checks will remain negotiable for one hundred eighty (180) calendar days from issuance, and PAGA Settlement Employees will have one hundred eighty (180) calendar days from the date of issuance to cash their Individual PAGA Payment checks. If a PAGA Settlement Employee's check is returned to the Settlement Administrator with a forwarding address provided by the United States Postal Service, the Settlement Administrator will promptly resend the check to that PAGA Settlement Employee to that address, but this re-mailing will not extend the 180-day period to cash a check. Funds represented by Individual PAGA Payment checks returned as undeliverable and those Individual PAGA Payment checks remaining un-cashed for more than one hundred eighty (180) calendar days after issuance will be paid to the California State Controller's Office, the Unclaimed Property Division with an identification of the amount of unclaimed funds attributable to each PAGA Settlement Employee. Neither Defendant, Defense Counsel, Plaintiff's Counsel nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 180-day period.

Defendant fully discharges its obligations to those PAGA Settlement Employees who are entitled to an Individual PAGA Payment through the Settlement Administrator's mailing of a check, regardless of whether such checks are actually received and/or negotiated by PAGA Settlement Employees.

V. TAX CONSEQUENCES. INDIVIDUAL PAGA PAYMENTS MADE UNDER THIS SETTLEMENT WILL BE ATTRIBUTED ONE HUNDRED PERCENT (100%) AS PENALTIES AND PAID VIA IRS FORM 1099 ISSUED TO EACH PAGA SETTLEMENT EMPLOYEE. THE PARTIES AND THEIR COUNSEL MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO TAX CONSEQUENCES OF ANY PAYMENT UNDER THIS SETTLEMENT AGREEMENT.

1. **Escalator Clause.** Affinity Group LLC estimates there have been approximately 3,071 pay periods worked during the PAGA Period to date by approximately 115 PAGA

Settlement Employees. Should the number of pay periods increase by more than 15%, this will increase the PAGA Gross Settlement Amount proportionally over the 15% increase. For example, if the number of pay periods increased by 16% through the PAGA Period (i.e., April 4, 2023, through March 6, 2025), the PAGA Gross Settlement Amount shall increase by 1%.

2. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties through informed counsel and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

3. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors and assigns.

4. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with this Settlement Agreement, the Action, and Plaintiff's claims, except as otherwise set forth specifically herein.

5. **Authority.** Defendant represents and warrants that the undersigned have the authority to act on behalf of Defendant and to bind Defendant to the terms of this Settlement Agreement.

6. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California.

7. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Released Claims. Excluded from this Section is a separate settlement agreement related to Plaintiff's individual claims. This Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto.

8. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions, without prejudice. Neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect.

9. **Continuing Jurisdiction.** After approval of this Settlement and entry of the judgment in the Action, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure section 664.6, and the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement and judgment, (ii) Settlement administration matters, and (iii) such matters as may be appropriate under court rules or as set forth in this Settlement Agreement. The Parties further agree that this Agreement

shall be enforceable by the Court pursuant to California Code of Civil Procedure Section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and PAGA Settlement Employees to interpret and enforce the terms, conditions and obligation of the Agreement.

10. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest.

11. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

12. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile, DocuSign, and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

13. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel, taking into account all relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

14. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable. Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

15. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

16. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

17. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement. The Parties

agree to bear their own attorneys' fees and costs related to this Action except as specifically provided above with respect to Plaintiff's Attorneys' Fees Amount and Plaintiff's Costs, and for Plaintiff's non-PAGA, individual claims (which are settled and released in a separate settlement agreement, and the Parties waive any and all rights to attorneys' fees and costs in connection with the Released Claims except to enforce this Agreement or Settlement.

18. **Dispute(s)**. Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) to the Court. To the extent any Party seeks to enforce any of the terms of this Agreement in or before the Court, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

19. **Non-Evidentiary Use**. Neither this Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Action or in any other action or proceeding except for purposes of establishing the Released Claims have been settled; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

20. **Representation by Counsel**. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

21. **No Public Comment**. Neither the Parties nor their counsel shall make or issue any public statements to the press or any other third party, nor post any information on websites or other public forums, concerning the Action in any way.

22. **Cooperation and Execution of Necessary Documents**. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

23. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

24. **Denial of Liability**. The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation,

implementation or enforcement of the settlement or any orders or judgments of the Court entered into in connection therewith.

25. Acceleration: Time is of the Essence. Time is of the essence with respect to all provisions of this Agreement.

26. No Collateral Attack. The Parties agree that this Agreement may not be subject to collateral attack by any PAGA Settlement Employee or the State of California prior to or after entry of the Final Order, to the fullest extent permitted by law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____

By: _____
Plaintiff Daniel Volrich

Dated: 9/15/2025

DocuSigned by:
By: Arthur Atinizian
336D94E6BD35440
Defendant Affinity Group LLC
Arthur Atinizian

Approved as to form:

GAINES LAW CORPORATION

Dated: _____

Evan S. Gaines, Esq.
Attorneys for Plaintiff Daniel Volrich

Dated: 9/15/2025

DocuSigned by:
Lilit Solmer
49C7955C2A2648A

Lilit Solmer
Solmer Law Corporation
Attorney for Defendant Affinity Group LLC

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IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 09 / 15 / 2025 _____

By:



Plaintiff Daniel Volrich

Dated: _____

By:

Defendant Affinity Group LLC

Approved as to form:

GAINES LAW CORPORATION

Dated: September 15, 2025



Evan S. Gaines, Esq.
Attorneys for Plaintiff Daniel Volrich

Dated: _____

Lilit Solmer
Solmer Law Corporation
Attorney for Defendant Affinity Group LLC

EXHIBIT A

«DATE»

«FIRST_NAME» «LAST_NAME»

«ADDRESS 1»

«ADDRESS 2»

Re: Settlement Payment from *Daniel Volrich v. Affinity Group LLC*

Dear «FIRST_NAME» «LAST_NAME»

A settlement was reached between Plaintiff and Defendant in *Daniel Volrich v. Affinity Group, LLC*, litigation filed in the Orange County Superior Court, Case No. 30-2024-01405245-CU-OE-CXC (the “Lawsuit”). The Lawsuit was brought under the California Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698, *et seq.* (abbreviated “PAGA”) against Affinity Group LLC (referred to as “Defendant”) by a former employee of Affinity Group, LLC.

Defendant vigorously denies any wrongdoing and specifically denies that its practices were non-compliant or that it owes any unpaid wages or PAGA penalties. Defendant maintains that it was in compliance with the California Labor Code at all times and enters into this 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.

The Court has not ruled on the merits of the Lawsuit, but it approved a total settlement amount to be paid by Defendant (\$150,000), included in that amount, as follows: the civil penalties (\$90,571.36), the former employee’s attorney’s fees (\$50,000) and costs (\$6,528.64), and administration costs (\$2,900). A portion of the civil penalty amount goes to the State of California (75%), and the eligible employees (25%) who will receive a pro rata share of the meaning amount, based upon a formula taking into account the number of pay checks they received from April 4, 2023 through March 6, 2025 (“PAGA Members”). By order of the Orange County Superior Court, enclosed is your payment from the settlement.

1. Settlement Formula and Distribution

You have received this notice because Defendant’s records indicate that you held a non-exempt position with Defendant within the time period of April 4, 2023 through March 6, 2025. You are receiving this payment as your share of the settlement. You have 180 days to cash the settlement check. If you do not cash your check by this date, the money will be transferred to the State of California Unclaimed Property Fund, from which you may recover the money at a future time. You will receive an IRS Form 1099 form for the amount of your settlement check, if required by law. If you have lost or misplaced your settlement check, you should contact the Settlement Administrator at the toll-free number shown at the top of this letter. It is strongly recommended that all checks be cashed immediately upon receipt. Defendant will not in any manner retaliate against any individual who cashes their settlement check.

2. Released Rights and Claims

You are not a party to the Lawsuit, but you, Plaintiff, and the State of California will be bound by the order in this matter approving the settlement and entering judgment in the Lawsuit, as well as to the release of claims in this Lawsuit, stated below, only as to civil penalties under PAGA.

The Court-approved settlement contains the following release of claims, to which you are bound:

Upon approval by the Court of this Settlement, and subject to Defendant's payment of the Gross Settlement Amount, Plaintiff, individually and in his representative capacity on behalf the State of California, the LWDA, and the PAGA Members will fully and finally release and discharge the Released Parties from all claims, rights, demands, liabilities, and causes of action for civil penalties recoverable under PAGA, that were asserted or could have been asserted, assessed upon or collected from the Released Parties by or on behalf of Plaintiff, the PAGA Settlement Employees, the LWDA, the State of California, or any of its agencies, based on any of the facts or violations alleged in the Complaint or LWDA Letters, including claims for PAGA civil penalties under or based on any alleged violations of Labor Code sections: 201, 202, 226(a), 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1175, 1194, and 2699, *et seq.*, the violation of any Industrial Welfare Commission Order, and any other claims asserted in the Action and operative Complaint. (the "Released PAGA Claims"). To the extent an alleged PAGA violation arises directly from the operative facts pled in the LWDA Letters and implicates the same primary rights and defenses being settled here except for Plaintiff's non-PAGA, individual claims, those claims are settled and released to the fullest extent permitted under applicable law.

The "Released Parties" means Defendant Affinity Group LLC, its past and present officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims, demands, rights and liabilities as set forth above.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

**PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH ANY
QUESTIONS ABOUT THE LAWSUIT OR THE SETTLEMENT**

EXHIBIT E

Volrich v. Affinity Group, LLC
Attorney Time/Task

Task	Evan S. Gaines, Esq. \$700/hr
Pre-Lawsuit interviewing, investigation and research re Defendant and claims; Research re: defenses to action; Review employee file	8.0
Draft LWDA compliance Letter; Review, revise, mail, and submit LWDA Letter; Communications with Client re same	2.4
Draft Supplemental LWDA Letter; Review, mail, and upload Supplemental LWDA Letter; Related Communications with Defense Counsel	1.8
Draft and file PAGA Complaint and related research; Communications with Client re same; service of Defendant and related filing of proof of service.	3.7
Draft and file First Amended Complaint; Review and revise Stipulation and Order to Stay Matter Pending Mediation	2.3
Prepare mediation informal discovery letter and related communications with Defense Counsel and Client	2.9
Draft and file objective summary of case; Communications with Defense re same	2.6
Review and preparation for mediation; Related legal research; Review Defendants' informal document production, Prepare mediation brief and related exhibits; Communications with Client re same	10.2
Attend mediation via Zoom with Brandon Coen, Esq.; Communications with Client re mediation and mediator's proposal; Communications with mediator re acceptance of mediator's proposal	9.0
Research, review and preparation of PAGA settlement agreement, PAGA notice, and individual settlement; Further communications and discussions with Defense Counsel and Client re same; Re-review and revising of Settlement with new Defense Counsel and related communications with same	9.6

Volrich v. Affinity Group, LLC
Attorney Time/Task

Task	Evan S. Gaines, Esq. \$700/hr
Prepare, file, and serve Status Conference Statement and Attend Status Conference; Prepare, file, and serve Notice of Continued CMC	3.1
Drafting of motion for PAGA approval and related exhibits and documents and related communications with Defense Counsel and Client; Review court's tentatives and prior rulings re Motion for Approval; Additional revisions of motion with new Defense Counsel and related communications with same	13.1
Estimated time required for related administration work and uploading of documents to LWDA; Prepare for and attend PAGA Approval hearing and related communications with Defense and Client	7.0
Total Hours:	75.7
Total Lodestar Per Attorney:	\$52,990.00

EXHIBIT F

Volrich v. Affinity Group LLC
Gaines Law Corporation Counsel's Costs

<u>EXPENSE CATEGORY</u>	<u>EXPENSE</u>
Filing fees	\$ 1,762.38
Postage	\$ 21.26
Mediation Fees	\$ 4,635.00
Misc Fees	\$ 10.00
Future estimated expenses -	\$ 100.00
• <i>Filing fees and One Legal Service fees for Filing the Motion for PAGA Approval and Notice of Entry of Order (\$70 + \$30)</i>	
TOTAL EXPENSES	\$ 6,528.64

EXHIBIT G