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LEDEZMA, individually and on behalf of
others similarly situated & HECTOR
SANCHEZ, individually, and on behalf of
other similarly situated employees and
aggrieved employees pursuant to PAGA

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

JUAN CAMPOS-LEDEZMA, individually
and on behalf of others similarly situated, &
HECTOR SANCHEZ, individually, and on
behalf of other similarly situated employees
and aggrieved employees pursuant to PAGA

Plaintiff,

vs.

INSITUTE FOR ENVIRONMENTAL
HEALTH, INC., a Washington Corporation;
and DOES 1 through 25, inclusive,

Defendants.

Case No. CV-23-006693

Honorable Stacy P. Speiller
Department 22

**DECLARATION OF ALEXANDRA ROSE IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: October 15, 2025
Time: 8:30 a.m.
Dept.: 22

Complaint Filed: November 14, 2023
FAC Filed: February 4, 2025
Trial Date: Not Set

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1 motions and pleadings, including dispositive and certification motions; strategized on all cases;
2 attended all hearings; attended all mediations; coordinated with class action administrators; prepared
3 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all
4 other intricate facets of litigation. During that time, he represented a wide range of clients from sole
5 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of
6 the cases he managed were highly publicized, with articles written about them in the Los Angeles
7 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has
8 regularly honored him as a Southern California Rising Star since 2012.

9 4. Karen I. Gold graduated *cum laude* from UCLA in 2005 with a Bachelor of Science
10 degree in Cognitive Science and a Specialization in Computing. She received her law degree from
11 Boston University School of Law and was admitted to the California State Bar in 2008. Upon
12 graduation, she joined Cox Castle & Nicholson, LLP, and worked there for approximately a decade as
13 a general litigation attorney focused primarily on high-stakes sophisticated cases including class action
14 defense matters. Thereafter, she spent approximately five years working for Marlin & Saltzman, LLP,
15 which is a well-known plaintiff-side wage and hour law firm in Los Angeles, before transitioning over
16 to Blackstone Law, APC as a Senior Trial Attorney and Team Lead. Throughout her career, she has
17 managed over one hundred complex litigation cases, ranging from employment matters to corporate
18 and general business litigation matters. On many of those cases, she was the only or primary attorney
19 managing the case and thus obtained extensive experience overseeing these types of actions. In that
20 capacity, she was the primary contact for clients; took and defended many depositions; propounded
21 and responded to discovery; prepared and opposed motions and pleadings, including dispositive and
22 certification motions; strategized on all cases; attended hearings; attended mediations; coordinated
23 with class action administrators; prepared and worked with experts; participated in trial prep and trials;
24 and engaged in all other intricate facets of litigation. Super Lawyers honored her as a Southern
25 California Rising Star from 2015 through 2018. As the Senior Trial Attorney and Team Lead, she
26 oversees and handles over 100 wage-and-hour putative class actions and/or representative actions
27 under PAGA seeking relief on behalf of California employees. She has considerable experience in
28 handling class and representative action lawsuits throughout her career and has been approved as

1 counsel in a number of cases.

2 5. Marissa A. Mayhood is a Senior Attorney at Blackstone Law, APC. She graduated
3 from Pepperdine University School of Law with a juris doctorate and a certificate in dispute resolution
4 from Pepperdine's Straus Institute. Ms. Mayhood spent approximately five years working for Marlin
5 & Saltzman, LLP, which is a well-known plaintiff-side wage and hour law firm in Los Angeles. While
6 working for Marlin & Saltzman, LLP, she litigated and helped settle a \$72.5 million case, *Utne v.*
7 *Home Depot U.S.A., Inc.*, United States District Court for the Northern District of California, Case
8 No. 3:16-cv-01854-RS, and was approved as class counsel.

9 6. I joined Blackstone Law, APC from a highly reputable employment law firm. I
10 graduated from the University of California, Los Angeles with a Bachelor of Arts degree in 2016 and
11 from New England Law | Boston with a Juris Doctor degree in 2019. I was admitted to the State Bar
12 of California in December of 2019 and the State Bars of New York and New Jersey in 2023. I am
13 additionally licensed in all federal district courts of California. I have worked on many wage and hour
14 class action and PAGA representative matters, and my work has included, *inter alia*, researching and
15 drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations
16 and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making
17 court appearances. I manage the post-settlement department at Blackstone. In that capacity, I oversee
18 and handle over 100 wage-and-hour putative class actions and/or representative actions under PAGA
19 that are in settlement.

20 7. Jasmine Y. Kianfard recently joined Blackstone Law, APC. She received her Bachelor
21 of Arts degree from California State University, Fullerton in 2015, her Master of Journalism from
22 University of Southern California, Los Angeles in 2016, and Juris Doctor degree from Chapman
23 University Dale E. Fowler School of Law in 2021. She was admitted to the State Bar of California in
24 2023.

25 8. Blackstone Law, APC has been counsel of record on several class action and PAGA
26 actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

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Procedural History of the Action

9. On November 14, 2023, Plaintiff Campos-Ledezma filed a Class Action Complaint for Damages in the action entitled *Juan Campos-Ledezma, et al. v. Institute of Environmental Health, Inc.*, Stanislaus County Superior Court Case No. CV-23-006693 (“Action”), thereby commencing a putative class action against Defendant Institute of Environmental Health, Inc. (“Defendant”).

10. On January 5, 2024, Defendant propounded written formal discovery onto Plaintiff Campos-Ledezma (specifically, Special Interrogatories (Set One) and Requests for Production of Documents (Set One)).

11. On February 5, 2024, Plaintiff Campos-Ledezma propounded written formal discovery onto Defendant (specifically, Form Interrogatories – General (Set One), Form Interrogatories – Employment Law (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production of Documents (Set One)).

12. On February 6, 2024, Plaintiff Campos-Ledezma responded to Defendant’s discovery requests (specifically, Special Interrogatories (Set One) and Requests for Production of Documents (Set One)).

13. On February 26, 2024, Plaintiff Sanchez filed a Class Action Complaint in the action entitled *Hector Sanchez v. Institute of Environmental Health, Inc.*, Monterey County Superior Court Case No. 24CV000755 (“Sanchez Action”), thereby commencing a putative class action against Defendant.

14. On March 22, 2024, Defendant responded to Plaintiff Campos-Ledezma’s discovery requests (specifically, Form Interrogatories – General (Set One), Form Interrogatories – Employment Law (Set One), Special Interrogatories (Set One), Special Interrogatories (Set Two), and Requests for Production of Documents (Set One)).

15. On May 2, 2024, a Belaire-West notice was mailed to three hundred and ninety (390) putative class members by a third-party administrator.

16. On May 28, 2024, Plaintiff Sanchez provided written notice to the California Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the

California Labor Code alleged to have been violated by Defendant (“PAGA Letter”). A true and correct copy of the PAGA Letter is attached hereto as **Exhibit 2**.

17. On October 17, 2024, Plaintiff Sanchez filed a First Amended Class and Representative Action Complaint in the Sanchez Action.

18. On December 4, 2024, Plaintiffs and Defendant (together, the “Parties”) participated in a formal mediation conducted by Katherine J. Edwards, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour matters, which did not result in a settlement at that time.

19. On February 4, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) in the Action, which added Plaintiff Sanchez as a named plaintiff and a cause of action under PAGA. The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations.

20. On February 19, 2025, the Sanchez Action was dismissed without prejudice.

21. On April 16, 2025, Plaintiffs propounded written formal discovery onto Defendant (specifically, Special Interrogatories (Set Three) and Requests for Production of Documents (Set Two)).

22. On May 6, 2025, after further negotiations, the Parties reached a settlement of the Action.

23. On August 21, 2025, the Parties executed the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 3**.

Summary of the Terms of the Settlement Agreement

24. For purposes of settlement only, the Parties have agreed that the Class shall be defined as “all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period” (“Class” or “Class Member(s)”). The Class Period is defined as the period from November 14, 2019 through January 15, 2025. Based on information provided by Defendant, as of December 4, 2024, it is estimated that there are a total of seven hundred ninety-four (794) Class Members.

25. The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of One Million One Hundred Seventy-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$1,176,412.00), exclusive of employer-side payroll taxes. The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Prior Paid Amount of One Hundred Twenty-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$126,412.00) that was already paid to Class Members for *Pick-Up Stix* individual release agreements; (2) Class Counsel’s fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$411,744.20 if the Gross Settlement Amount is \$1,176,412.00); (3) Class Counsel’s actual litigation costs and expenses, not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00); (4) Settlement Administration Costs, not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00); (5) Enhancement Payments in the aggregate amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00); and (6) PAGA Amount in the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00). After the Attorneys’ Fees and Costs, Settlement Administration Costs, Enhancement Payments, and PAGA Amount are deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently estimated to be Six Hundred Ten Thousand Six Hundred Sixty-Seven Dollars and Eighty Cents (\$610,667.80). Additionally, 25% of the PAGA Amount (“PAGA Employee Amount”), which is \$25,000.00 out of \$100,000.00, will be fully distributed to “all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period” (“PAGA Employee(s)”). The “PAGA Period” is defined as the period from May 28, 2023 through January 15, 2025.

1 26. The Net Settlement Amount will be distributed and paid to all Class Members who do
2 not submit a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata*
3 basis based on the number of weeks each Class Member performed at least some work for Defendant
4 as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”).
5 The *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive
6 under the Class Settlement (“Individual Settlement Share”) will be calculated by the Settlement
7 Administrator, in accordance with the Settlement Agreement.

8 27. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on
9 a *pro rata* basis based on the number of pay periods each PAGA Employee performed at least some
10 work for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA
11 Period (“Pay Periods”). The *pro rata* share of the PAGA Employee Amount that a PAGA Employee
12 may be eligible to receive under the PAGA Settlement (“Individual PAGA Payment”) will be
13 calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

14 28. Each Individual Settlement Share will be allocated as twenty percent (20%) wages and
15 eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will
16 be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage
17 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The
18 Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect
19 to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class
20 Members for their net payment of their Individual Settlement Share (“Individual Settlement
21 Payment”). The employer’s share of taxes and contributions in connection with the wages portion of
22 Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross
23 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
24 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

25 29. The Settlement Agreement is a non-reversionary and non-claims made settlement. The
26 Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount
27 will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement
28 Agreement. No money will revert to Defendant.

1 30. Each Individual Settlement Payment and Individual PAGA Payment check will be
2 valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are
3 issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be
4 distributed by the Settlement Administrator to the State of California's Unclaimed Property Division
5 in the name of the Settlement Class Member and/or PAGA Employee.

6 **The Settlement is Reasonable**

7 ***Informed Arms-Length Negotiations***

8 31. The Parties' settlement negotiations were at all times made at arm's-length and were
9 adversarial. The Settlement was reached following additional negotiations after a full day of mediation
10 with a highly respected mediator with substantial experience mediating wage and hour cases, and
11 Plaintiffs engaged in additional negotiations in order to finalize the long-form agreement presently
12 before the Court.

13 32. The Parties engaged in extensive formal and informal discovery prior to reaching a
14 settlement. Prior to mediation, Defendant produced a random sampling of putative class members'
15 time and pay records as well as Defendant's relevant wage and hour policies, and information
16 regarding the total number of putative class members, the number of current versus former employees,
17 the total workweeks worked by the putative class members, and the average rate of pay for the putative
18 class members.

19 33. This allowed Class Counsel to conduct an informed assessment and analysis of the
20 strengths and weaknesses of the claims and the potential class-wide damages.

21 34. Based on the information exchanged, the Parties extensively briefed issues regarding
22 class certification and liability and provided their analyses to the Mediator who helped the Parties
23 debate the strengths and weakness of their respective positions.

24 ***Estimate of Potential Value of Claims***

25 35. Class Counsel analyzed all available data and estimated Defendant's maximum
26 potential exposure to be approximately \$13,044,423, assuming the litigation was successful at trial on
27 all claims at issue and every employee had a violation for each claim on every shift worked. This
28 maximum potential analysis was then reduced based on the challenges facing the likelihood of

obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an estimated maximum liability for all claims at issue and the total aggregate workweeks during the relevant time period, less interest, and based on the analysis of the data which was extrapolated out for all putative class members across the entire putative class period, which included: \$3,541,780 for meal period violations (less meal period premiums paid); \$4,684,581 for rest period violations at a 100% violation rate; \$1,002,478 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work; \$354,030 for unreimbursed business expenses; \$2,543,604 for waiting time penalties; and \$917,950 for wage statement penalties. Plaintiffs further estimated that Defendant faced an additional exposure of \$292,500 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA penalties. Together with the PAGA penalties, Defendant's maximum potential exposure totaled \$13,336,923 in damages.

Specific Risks Considered

36. Although the investigation and information discovered supports Plaintiffs' contentions, Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter the Settlement. First and foremost, in or around May 2024, Defendant commenced a *Pick-Up Stix* campaign in which it obtained signed individual settlement agreements from putative class members, which threatened the potential class size. Additionally, Defendant argued that its employee agreement that employees sign during onboarding contains an enforceable arbitration provision with a class action waiver. Accordingly, the individual settlements and arbitration agreements presented significant challenges to class certification, as well as the overall value of Plaintiffs' claims.

37. Class Counsel is aware of Defendant's defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication. Plaintiffs further recognize the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiffs have also considered the Parties' settlement discussions, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

1 38. Defendant denied and continues to deny any liability and wrongdoing of any kind
2 associated with the claims alleged in the Action, and further denies that class certification is
3 appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately
4 prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiffs'
5 claims. Defendant contended that Plaintiffs' claims are not suitable for class certification because
6 individual issues would predominate should this case go to trial. As with all class actions, these
7 complex cases raise difficult management and proof issues and, accordingly, there is a significant risk
8 that the Court may deny class certification.

9 39. For example, Plaintiffs' meal period claims, which were based on Defendant's alleged
10 failure to provide lawful meal periods, have been increasingly difficult to certify in recent years.
11 Plaintiffs' theory of liability for meal period violations was based on allegations that Defendant had
12 failed to implement its policies and that its practices failed to allow Class Members to take meal breaks
13 in the manner required under California law. Defendant contended that its policies and practices at all
14 times during the Class Period were lawful. Defendant further argued that the rate of purported meal
15 period violations reflected in the data would require individualized inquiry and that such inquiry would
16 prohibit a class from being certified. We also had to consider the risk that the Court would find validity
17 in the individualized proof defense to certification of Plaintiffs' meal period claim.

18 40. Additionally, a large portion of Defendant's overall liability lies in Plaintiffs' rest
19 period allegations. As with the meal period allegations, Defendant contended that it had a lawful
20 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
21 required under California law. Additionally, this claim was even more uncertain given the difficulties
22 associated with proving the alleged rest period violations, as Defendant was not required to record
23 these breaks. Given the lack of records demonstrating rest period violations, there were legitimate
24 concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
25 requisite certainty, which made the estimated value of this claim subject to much challenge.

26 41. Plaintiffs also faced challenges certifying and proving liability for their minimum wage
27 and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work
28 performed by the Class Members both before and after their shifts and during purported meal periods.

1 For example, Class Members reported that Defendant required employees to clock out during their
2 meal breaks but required that they continue working to ensure that their required tasks were complete.
3 However, the individualized nature of why this work was performed and the individualized nature of
4 damages presented substantial concerns regarding the manageability of the case and the risk the Court
5 could find these issues prevented certification, and the estimated damages for this claim were based
6 on an assumption that all Class Members worked off the clock for at least one hour per week.

7 42. Plaintiffs also contended that Defendant failed to reimburse Plaintiffs and the other
8 Class Members for necessary business-related expenses, such as the usage of personal cell phones for
9 work-related purposes. Defendant contended that it had a policy and practice of reimbursing
10 employees for necessary business-related expenses. Defendant further contended that, with respect to
11 the alleged expenses for which Plaintiffs and the other Class Members never requested reimbursement
12 from Defendant, it did not know and had no reason to know that alleged business-related expenses had
13 been incurred. Defendant further contended that the reason for why a Class Member undertook certain
14 expenses, while not others, and failed to receive reimbursement for certain expenses while not others,
15 would raise individual issues that could not be certified.

16 43. There are also substantial risks associated with Plaintiffs' waiting time penalties and
17 wage statement claims. First, these claims were derivative of Plaintiffs' claims for unpaid meal period
18 premiums, unpaid rest period premiums, unpaid minimum wages, and if certification was denied on
19 those underlying claims, these derivative claims for penalties would also likely fail. Further, even if
20 Plaintiffs prevailed on their underlying claims, they would still be required to demonstrate that
21 Defendant's violations of California Labor Code section 203 were *willful* violations. Wage statement
22 claims have also seen varying treatment at the appellate level because such claims have an element of
23 discretion attached to them rather than a pure calculation of damages after liability is proven.
24 Accordingly, these derivative claims, which comprised a substantial portion of Defendant's estimated
25 liability, were therefore uncertain.

26 44. Class Counsel also recognized that, even if Plaintiffs prevailed at class certification,
27 proving the amount of wages due to each Class Member would be an expensive, time-consuming, and
28 extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to

1 request and analyze thousands of pages of documents, obtain the Class Members' contact information,
2 contact them, and obtain declarations at great expense. Obtaining the cooperation of current
3 employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a
4 current employer. On the other hand, Defendant would likely be able to obtain the cooperation of its
5 employees. Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals
6 would substantially delay any recovery by the Class.

7 45. Therefore, taking into account how each of the above risks potentially effected
8 Plaintiffs' ability to first obtain class certification, and then prove the underlying violations, plus the
9 cost and delay in recovering the alleged potential damages, Class Counsel discounted Defendant's
10 estimated liability based on the challenges facing their ability to succeed on class certification by 70%
11 to \$4,001,077. The merits-based risk factors further reduced Defendant's estimated liability by an
12 additional 65%. This resulted in an adjusted estimated liability of \$1,400,377. In light thereof, the
13 settlement amount of \$1,176,412 is a significant settlement.

14 46. Class Counsel also separately contemplated the risks of proceeding with the PAGA
15 claims and potential liability Defendant could face from these claims as part of the global resolution.
16 Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiffs' underlying
17 wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the
18 imposition of cumulative civil penalties based on the alleged wage and hour violations could be
19 considered unjust, arbitrary and oppressive, or confiscatory, and that Defendant would argue that it
20 made a good faith attempt to comply with its legal obligations warranting a reduction in penalties.
21 Class Counsel also anticipated Defendant would argue that the violations per pay period were low,
22 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that
23 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate
24 enforcement of California's labor laws by financing state activities and educating and deterring non-
25 compliance.

26 47. Therefore, after considering this multitude of factors, we concluded that it was in the
27 best interest of the State of California and the PAGA Employees to enter into the Settlement, and to
28 allocate One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement

1 Amount towards the PAGA claims, which represents approximately 8.5% of the Gross Settlement
2 Amount. This percentage of the settlement is well-within the range of wage and hour settlements
3 regularly approved in both state and federal court for cases that include both a class and PAGA action.
4 Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims,
5 and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been
6 approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is
7 significant, not only from a monetary perspective, but also because it fulfills the public policy
8 objectives of PAGA—to promote enforcement of California’s labor laws, provide funds to the state,
9 and deter future non-compliance by the employer.

10 48. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate.
11 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of
12 California and is within the accepted range of recoveries for this type of litigation given the inherent
13 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
14 litigation.

15 ***Enhancement Payments***

16 49. As part of the Settlement Agreement, Plaintiffs are requesting reasonable Enhancement
17 Payments of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each (total,
18 \$15,000.00). These Enhancement Payments are eminently reasonable given the time and effort
19 Plaintiffs spent on this matter, and the benefit to the Class Members as a result of Plaintiffs’ actions.
20 Notice of the requested Enhancement Payments is disclosed to the Class Members in the Class Notice.

21 ***Attorneys’ Fees and Costs***

22 50. The attorneys’ fees incurred by Class Counsel are in line with the common fund
23 requested. The Settlement Agreement provides for Class Counsel to apply for attorneys’ fees in an
24 amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$411,744.20 if the
25 Gross Settlement Amount is \$1,176,412.00) and actual litigation costs and expenses in an amount not
26 to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which will be paid out of the
27 Gross Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks
28 and costs of litigation and will not receive any compensation until recovery is obtained.

51. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type, given the strengths and weaknesses of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progress through certification, trial, and/or upon appeal.

52. Class Counsel has litigated this matter for over a year and was actively preparing this matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the Class Notice.

Notice to the Class

53. The Parties have agreed to retain CPT Group, Inc. (“CPT” or “Settlement Administrator”) to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint CPT to handle these procedures and to serve as the Settlement Administrator. Defendant will provide CPT with the Class List and CPT will calculate each Class Member’s estimated Individual Settlement Share and each PAGA Employee’s estimated Individual PAGA Payment. CPT will also receive and process Requests for Exclusion, Notices of Objection, and Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit necessary taxes and withholdings with respect to the wages portion of the Individual Settlement Shares; will prepare and submit informational and other tax filings and documents; will issue and transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual Settlement Payment checks to the Settlement Class Members and Individual PAGA Payment checks to the PAGA Employees; and perform any other usual and customary duties for administering a class action settlement.

///

54. I am not aware of an alternative method of providing notice to the Class which would result in a higher likelihood of actual notice. The original source of the mailing addresses is from each Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable method, skip tracing will be performed, if necessary.

Notice of Settlement to the LWDA

55. In accordance with California Labor Code section 2699(1)(2), on August 22, 2025, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 4**.

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

Executed on 09/18/2025, at Jersey City, New Jersey.


Alexandra Rose

EXHIBIT 1

- *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court, Case No. 30-2023-01356309-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Antonio Quintero v. Weyerhaeuser NR Company*, Los Angeles County Superior Court, Case No. 23STCV02624, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cristo Hernandez v. Eldorado National (California), Inc.*, Riverside County Superior Court, Case No. CVRI2201056, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rigoberto Tecaliz v. National Restaurant Inc. dba Black Bear Diner*, San Diego County Superior Court, Case No. 37-2023-00046906-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cecilia Estrada v. The Roman Catholic Archbishop of Los Angeles*, Los Angeles County Superior Court, Case No. 24STCV07184, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Davis v. JAJ Roofing dba Citadel Roofing and Solar*, Sacramento County Superior Court, Case No. 23CV011004, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court, Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court, Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court, Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court, Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court, Case No. 24CV062913, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case

No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Sitara Nayabhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court, Case No. 2023CUOE017853, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Christa Morton, et al. v. PSI Services, LLC*, Fresno County Superior Court, Case No. 24CECG00039, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of

representative wage and hour action pursuant to PAGA.

- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour

class and PAGA action.

- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case

No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2

WILSHIRE LAW FIRM, PLC

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Thiago Coelho, Esq.	Jesse Chen, Esq.
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Shahin Rezvan, Esq.	Diego Aviles, Esq.

May 28, 2024

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Institute for Environmental Health, Inc.
15300 Bothell Way NE
Lake Forest Park, WA 98155
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6621 6035 96

Ramon Aboytes
Agent for Service of Process
Institute for Environmental Health, Inc.
19055 Portola Drive
Salinas, CA 93908
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6621 6036 02

Re: ***Hector Sanchez v. Institute for Environmental Health, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Hector Sanchez ("Mr. Sanchez" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employers, Institute for Environmental Health, Inc. ("IEH" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and some or potentially all of Employers' Aggrieved Employees.

Mr. Sanchez wishes to pursue this action on behalf of Employee as Aggrieved Employees, on behalf of the State of California, as well as on behalf of some or potentially all other persons who worked for IEH in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Mr. Sanchez's Employment with IEH

IEH is an international lab and consulting services company specializing in food production and manufacturing safety. Employee worked as a sampler. Employee's primary job function included sampling water and agricultural commodities, quality control, and data entry. In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without

compensation. Due to high workloads, Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums they were entitled to under the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Mr. Sanchez is a resident of Greenfield, California who worked for Employers in Monterey County, California as an hourly-paid, non-exempt employee from approximately April 2023 to approximately June 2023.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Employers at times failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at times required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking

out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers at times failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged, at times, in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id.* at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e., more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted. Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked.

As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Employee seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201

and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages. Employers also violated, and continue to violate, Labor Code section 213(d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization.

Employers' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request.

On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers’ failure to keep “accurate and complete” payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7.

These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers’ premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages. Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them.

Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.²

² Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(B) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.³

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

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³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination.

Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that "no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law." Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except

for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FCRA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”).

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”).

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600 and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for

servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers at times violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and

LWDA

Notice of Labor Code Violations and PAGA

May 28, 2024

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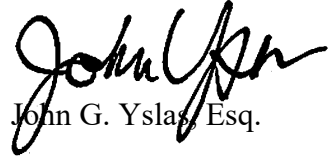
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John Yslas", is written over the printed name.

John G. Yslas, Esq.

EXHIBIT 3

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiffs Juan Campos-Ledezma
4 and Hector Sanchez (together, “Plaintiffs” or “Class Representatives”), individually, and on behalf of
5 all others similarly situated and on behalf of the State of California with respect to aggrieved
6 employees, and Defendant Institute of Environmental Health, Inc. (“Defendant”) (collectively,
7 Plaintiffs and Defendant are referred to as “Parties” and individually as “Party”).

8 This Settlement Agreement shall be binding on Plaintiffs, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On November 14, 2023, Plaintiff Juan Campos-Ledezma filed a Class Action
13 Complaint for Damages in the action entitled *Juan Campos-Ledezma, et al. v. Institute of*
14 *Environmental Health, Inc.*, Stanislaus County Superior Court Case No. CV-23-006693 (the
15 “Action”), thereby commencing a putative class action against Defendant.

16 2. On May 28, 2024, Plaintiff Hector Sanchez provided notice to the Labor and Workforce
17 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
18 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
19 Code alleged to have been violated by Defendant (“PAGA Letter”).

20 3. On February 4, 2025, Plaintiffs filed a First Amended Class and Representative Action
21 Complaint (“Operative Complaint”), which added Plaintiff Hector Sanchez as a named plaintiff and a
22 cause of action under the California Private Attorneys General Act, California Labor Code section
23 2699.3 (“PAGA”).

24 4. The Operative Complaint alleges ten (10) causes of action which include but are not
25 limited to allegations of violations of the California Labor Code for failure to pay minimum wages,
26 failure to pay overtime wages, failure to provide compliant meal periods and premium payments in
27 lieu thereof, failure to provide compliant rest periods and premium payments in lieu thereof, failure to
28 timely pay wages during employment, failure to provide compliant wage statements, failure to timely

1 pay wages upon termination, and failure to reimburse necessary business expenses, for violations of
2 California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California
3 Labor Code violations, and for civil penalties under PAGA based on the aforementioned California
4 Labor Code violations.

5 5. Defendant denies all material allegations set forth in the Action and any wrongdoing
6 or violations of law and has asserted numerous affirmative defenses. Notwithstanding, in the interest
7 of avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class
8 Claims (as defined herein), and Released PAGA Claims (as defined herein).

9 6. Class Counsel diligently investigated the class and PAGA claims against Defendant,
10 including any and all applicable defenses and the applicable law. The investigation included, *inter*
11 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
12 The Parties have engaged in sufficient formal and informal discovery and investigation to assess the
13 relative merits of the claims and contentions of the Parties.

14 7. On December 4, 2024, the Parties participated in mediation with Katherine J. Edwards,
15 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
16 of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The
17 Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an
18 informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs
19 and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation,
20 Class Counsel believes that the settlement with Defendant for the consideration and on the terms set
21 forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
22 Class Members, State of California, and PAGA Employees in light of all known facts and
23 circumstances, including the risk of significant delay and uncertainty associated with litigation and
24 various defenses asserted by Defendant.

25 8. The Parties expressly acknowledge that this Settlement Agreement is entered into
26 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
27 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
28 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective

positions.

DEFINITIONS

9. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 12.

b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Karen I. Gold, Marissa A. Mayhood, Alexandra Rose, and Jasmine Y. Kianfard of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

d. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) number of Workweeks; (5) number of Pay Periods (if applicable); and (6) amount of their Prior Paid Individual Amount (if applicable).

e. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached hereto as “**Exhibit A**.”

f. “Class Period” means the period from November 14, 2019 through January 15, 2025.

g. “Class Settlement” means the settlement and resolution of all Released Class Claims.

h. “Court” means the Superior Court of the State of California for the County of Stanislaus.

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i. “Defendant’s Counsel” means Amber A. Eklof and Seth Weisburst of Gordon Rees Scully Mansukhani, LLP.

j. “Dispute” means a letter submitted by a Class Member disputing the number of Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

k. “Effective Date” means the following: (i) if no Settlement Class Member objects to the Class Settlement, then the Effective Date will be the date of Final Approval; or (ii) if any Settlement Class Member objects to the Class Settlement, the Effective Date will be the sixty-first (61st) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the day after final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

l. “Employer Taxes” means the employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the Gross Settlement Amount.

m. “Enhancement Payment(s)” means the amounts to be paid to Plaintiffs, in recognition of their effort and work in prosecuting the Action on behalf of Class Members and PAGA Employees, and general release of claims, as set forth in Paragraph 13.

n. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

o. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

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1 p. “Final Approval Order and Judgment” means the order granting final approval
2 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
3 Parties, and subject to approval by the Court.

4 q. “Gross Settlement Amount” means the amount of One Million One Hundred
5 Seventy-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$1,176,412.00) to be paid by
6 Defendant in full satisfaction of the Action, Released Class Claims, and Released PAGA Claims,
7 which includes the Prior Paid Amount, Attorneys’ Fees and Costs, Enhancement Payments, PAGA
8 Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the Settlement
9 Class Members. As Defendant has already paid the Prior Paid Amount of One Hundred Twenty-Six
10 Thousand, Four Hundred Twelve Dollars, and Zero Cents (\$126,412.00) to certain Class Members,
11 the maximum amount of additional payment Defendant will pay as part of the Gross Settlement
12 Amount is One Million, Fifty Thousand Dollars, and Zero Cents (\$1,050,000.00), not including
13 Employer Taxes, unless the Escalator Clause is implicated based on the provisions of Paragraph 16.
14 Defendant shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount.
15 The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will
16 return to Defendant.

17 r. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
18 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
19 calculated in accordance with Paragraph 18.

20 s. “Individual Settlement Payment” means the net payment of each Settlement
21 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
22 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
23 Paragraph 17.

24 t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
25 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
26 in accordance with Paragraph 17.

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1 u. “LWDA Payment” means the amount of Seventy-Five Thousand Dollars and
2 Zero Cents (\$75,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the
3 LWDA under the PAGA Settlement, as set forth in Paragraph 14.

4 v. “Net Settlement Amount” means the Gross Settlement Amount less the Court-
5 approved Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, and Settlement
6 Administration Costs.

7 w. “Notice of Objection” means a Settlement Class Member’s written objection to
8 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
9 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
10 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
11 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
12 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
13 specified address, postmarked on or before the Response Deadline.

14 x. “PAGA Amount” means the allocation of One Hundred Thousand Dollars and
15 Zero Cents (\$100,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
16 percent (75%) of the PAGA Amount, or \$75,000.00, will be paid to the LWDA (i.e., the LWDA
17 Payment) and the remaining twenty-five percent (25%), or \$25,000.00, will be distributed to the
18 PAGA Employees (i.e., the PAGA Employee Amount).

19 y. “PAGA Employee(s)” means all current and former hourly-paid and/or non-
20 exempt employees who worked for Defendant in the State of California at any time during the PAGA
21 Period.

22 z. “PAGA Employee Amount” means the amount of Twenty-Five Thousand
23 Dollars and Zero Cents (\$25,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA
24 Employees on a *pro rata* basis based on their Pay Periods.

25 aa. “PAGA Period” means the period from May 28, 2023 through January 15,
26 2025. “PAGA Settlement” means the settlement and resolution of all Released PAGA Claims.

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1 bb. “Pay Periods” means the number of pay periods each PAGA Employee
2 performed at least some work for Defendant as an hourly-paid and/or non-exempt employee in
3 California during the PAGA Period. Pay Periods will be provided by Defendant to the Settlement
4 Administrator as part of the provided Class List.

5 cc. “Preliminary Approval” means the date on which the Court enters the
6 Preliminary Approval Order.

7 dd. “Preliminary Approval Order” means the order granting preliminary approval
8 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
9 the Court.

10 ee. “Prior Paid Amount” means the amount of One Hundred Twenty-Six Thousand
11 Four Hundred Twelve Dollars and Zero Cents (\$126,412.00) that was already paid to Class Members
12 from the Gross Settlement Amount for *Pick-Up Stix* individual release agreements.

13 ff. “Prior Paid Individual Amount” means the gross amount a Class Member
14 received from the Prior Paid Amount.

15 gg. “Released Class Claims” means any and all claims which were alleged or which
16 could have been alleged based on the factual allegations in the Operative Complaint and/or PAGA
17 Letter, arising during the Class Period, which specifically includes but is not limited to claims for
18 Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest
19 periods and associated premium payments, timely pay wages during employment and upon
20 termination, provide accurate wage statements, and reimburse necessary business-related expenses
21 and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 213, 216, 218.5,
22 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245-248.5, 432,
23 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198,
24 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4, the applicable
25 Industrial Welfare Commission Wage Order(s), California Business and Professions Code sections
26 16600, 16700, and 17200, *et seq.*, California Civil Code section 1786, *et seq.*, and 15 U.S.C. section
27 1681, *et seq.*, and all the claims, charges, complaints, liens, demands, causes of action, obligations,
28 damages, and liabilities, known or suspected based on the allegations and/or statutes/orders above.

1 hh. “Released PAGA Claims” means any and all claims arising from any of the
2 factual allegations in the Operative Complaint and/or PAGA Letter, arising during the PAGA Period,
3 for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections
4 2698 *et seq.*, which specifically includes but is not limited to claims for Defendant’s alleged failure to
5 pay overtime and minimum wages, provide compliant meal and rest periods and associated premium
6 payments, timely pay wages during employment and upon termination, provide compliant wage
7 statements, maintain complete and accurate payroll records, and reimburse necessary business-related
8 expenses and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 212,
9 213, 216, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234,
10 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 11744, 1174.5, 1194, 1194.2,
11 1197, 1197.1, 1198, 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4,
12 and the applicable Industrial Welfare Commission Wage Order(s).

13 ii. “Released Parties” means Defendant and its affiliates, parents, and each of their
14 company-sponsored employee benefit plans, and their respective successors and predecessors in
15 interest, all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and
16 agents, and each of their past, present and future officers, directors, shareholders, employees, agents,
17 principals, heirs, representatives, attorneys, accountants, auditors, consultants, insurers, and reinsurers.

18 jj. “Request for Exclusion” means a letter submitted by a Class Member indicating
19 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
20 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and
21 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
22 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
23 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

24 kk. “Response Deadline” means the deadline by which Class Members must submit
25 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
26 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to
27 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
28 Deadline will be extended to the next day on which the United States Postal service is open. The

1 Response Deadline may also be extended by express agreement between Class Counsel and
2 Defendant's Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response
3 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original
4 Response Deadline.

5 ll. "Settlement Administrator" means CPT Group, Inc., or any other third-party
6 class action settlement administrator agreed to by the Parties and approved by the Court for purposes
7 of administering the Settlement. The Parties and their counsel each represent that they do not have
8 any financial interest in the Settlement Administrator or otherwise have a relationship with the
9 Settlement Administrator that could create a conflict of interest.

10 mm. "Settlement Administration Costs" means the costs payable from the Gross
11 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
12 Paragraph 15.

13 nn. "Settlement Class" or "Settlement Class Member(s)" means all Class Members
14 who do not submit a timely and valid Request for Exclusion.

15 oo. "Workweeks" means the number of weeks each Class Member performed at
16 least some work for Defendant as an hourly-paid and/or non-exempt employee in California during
17 the Class Period. Workweeks will be provided by Defendant to the Settlement Administrator as part
18 of the provided Class List.

19 **CLASS CERTIFICATION**

20 10. For the purposes of this Settlement only, the Parties stipulate to the certification of the
21 Class.

22 11. The Parties agree that certification for the purpose of settlement is not an admission
23 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
24 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
25 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
26 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
27 non-settlement context.

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1 **TERMS OF THE AGREEMENT**

2 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
3 forth herein, the Parties agree, subject to the Court's approval, as follows:

4 12. Attorneys' Fees and Costs. Defendant agrees not to oppose any application or motion
5 by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the Gross
6 Settlement Amount (i.e., \$411,744.20 if the Gross Settlement Amount is \$1,176,412.00) and
7 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
8 of the Action, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00),
9 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
10 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
11 the Action, including without limitation all work performed and costs incurred to date, and all work
12 to be performed and all costs to be incurred in connection with obtaining the Court's approval of this
13 Settlement Agreement, including any objections raised and any appeals necessitated by those
14 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
15 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
16 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
17 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
18 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

19 13. Enhancement Payment(s). Defendant agrees not to oppose any application or motion
20 by Plaintiffs for Enhancement Payments in the amounts up to Seven Thousand Five Hundred Dollars
21 and Zero Cents (\$7,500.00) to each Plaintiff (for a total of up to \$15,000.00). The Enhancement
22 Payments, which will be paid from the Gross Settlement Amount, subject to Court approval, will be
23 in addition to any other payments Plaintiffs are entitled to under the Settlement. Plaintiffs shall be
24 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
25 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
26 1099 to Plaintiffs for the Enhancement Payments. Any portion of the requested Enhancement
27 Payments that is not awarded by the Court to Plaintiffs shall be reallocated to the Net Settlement
28 Amount for the benefit of the Settlement Class Members.

1 14. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
2 One Hundred Thousand Dollars and Zero Cents (\$100,000.00) shall be allocated from the Gross
3 Settlement Amount as civil penalties under the Private Attorneys General Act, California Labor Code
4 Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$75,000.00,
5 will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$25,000.00,
6 will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based
7 on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e.,
8 the Individual PAGA Payments).

9 15. Settlement Administration Costs. The Settlement Administrator will be paid for the
10 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
11 which is currently estimated not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00).
12 These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will
13 include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class
14 Notices and other documents for the Settlement, calculating and distributing payments due under the
15 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings,
16 and remittances, providing necessary reports and declarations, and other duties and responsibilities set
17 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual
18 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess
19 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any
20 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not
21 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement
22 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the
23 Settlement Class Members.

24 16. Escalator Clause. Defendant has represented that the Class Members worked a total of
25 43,452 workweeks during the period November 14, 2019 to December 4, 2024. If it is determined by
26 the Settlement Administrator that the total number of Workweeks worked by the Class Members
27 during the Class Period actually exceeds 43,452 by more than 2.5% (i.e., if the Workweeks exceed
28 44,539), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the

percentage increase in the number of Workweeks worked by the Class Members above 2.5% (i.e., if the number of Workweeks increases by 7.5%, then the Gross Settlement Amount will increase by 5%).

17. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that the Class Member may be entitled to receive under the Class Settlement. If a Class Member received a Prior Paid Individual Amount, then the amount of the Prior Paid Individual Amount will be deducted from their Individual Settlement Share.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to each Settlement Class Member's final Individual Settlement Share. If a Class Member received a Prior Paid Individual Amount, then the amount of the Prior Paid Individual Amount will be deducted from their Individual Settlement Share.

18. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.

19. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages

will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

20. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

21. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs, Settlement Class Members, and PAGA Employees understand and agree that Plaintiffs, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiffs, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

22. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE

1 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
2 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
3 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
4 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
5 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
6 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
7 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
8 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
9 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
10 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
11 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
12 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
13 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
14 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S
15 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
16 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
17 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
18 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

19 23. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
20 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
21 are issued to the payee. It is expressly understood and agreed that payments made under this
22 Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, and/or any PAGA
23 Employee to additional compensation or benefits under any new or additional compensation or
24 benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the
25 Class Period, nor will it entitle Plaintiffs, Settlement Class Members, and/or any PAGA Employee to
26 any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits
27 (notwithstanding any contrary language or agreement in any benefit or compensation plan document
28 that might have been in effect during the Class Period).

1 24. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

2 Plaintiffs will obtain a hearing date from the Court for Plaintiffs' motion for preliminary approval of
3 the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement
4 Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a
5 draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to
6 oppose the motion for preliminary approval of the Settlement so long as the motion is consistent with
7 this Settlement Agreement. By way of said motion, Plaintiffs will apply for the entry of the
8 Preliminary Approval Order seeking the following:

- 9 a. Conditionally certifying the Class for settlement purposes only;
- 10 b. Granting Preliminary Approval of the Settlement;
- 11 c. Preliminarily appointing Plaintiffs as the representatives of the Class;
- 12 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 13 e. Approving as to form and content, the mutually-agreed upon and proposed
14 Class Notice and directing its mailing by First Class U.S. Mail;
- 15 f. Approving the manner and method for Class Members to request exclusion
16 from or object to the Class Settlement as contained herein and within the Class Notice; and
- 17 g. Scheduling a Final Approval Hearing at which the Court will determine whether
18 Final Approval of the Settlement should be granted.

19 25. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
20 Class Counsel shall notify the LWDA of the Settlement.

21 26. Delivery of Class List. Within fifteen (15) business days of Preliminary Approval,
22 Defendant will provide the Class List to the Settlement Administrator.

23 27. Notice by First-Class U.S. Mail.

- 24 a. Within seven (7) calendar days after receiving the Class List from Defendant,
25 the Settlement Administrator will perform a search based on the National Change of Address Database
26 or any other similar services available, such as provided by Experian, for information to update and
27 correct for any known or identifiable address changes, and will mail a Class Notice in English and
28 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via

1 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
2 Administrator.

3 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
4 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
5 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
6 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
7 attempt to determine the correct address using a skip-trace or other search, using the name, address,
8 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
9 calendar days.

10 c. Compliance with the procedures described herein above shall constitute due and
11 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
12 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
13 provide notice of the Settlement.

14 28. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
15 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to
16 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
17 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
18 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute
19 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data
20 as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class
21 Member, Defendant's records will be presumed to be correct and determinative of the dispute.
22 However, if a Class Member produces information and/or documents to the contrary, the Settlement
23 Administrator will evaluate the materials submitted by the Class Member and the Settlement
24 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that
25 the disputing Class Member should be credited with under the Settlement. The Settlement
26 Administrator's decision on such disputes will be final and non-appealable.

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1 29. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
2 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
3 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
4 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
5 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
6 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are
7 submitted, and also identify the individuals who have submitted a timely and valid Request for
8 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
9 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage (directly or
10 indirectly) Class Members to request exclusion from the Class Settlement. Any Class Member who
11 submits a Request for Exclusion is prohibited from making any objection to the Class Settlement.
12 Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the
13 Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who
14 does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid
15 Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not
16 limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered
17 by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA
18 Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment,
19 irrespective of whether they submit a Request for Exclusion.

20 30. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
21 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
22 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
23 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
24 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
25 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
26 and complete and which were not), and also attach them to a declaration that is to be filed with the
27 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
28 seek to solicit or otherwise encourage (directly or indirectly) Settlement Class Members to object to

the Class Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection.

31. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Dispute.

32. Defendant's Right to Rescind. If more than seven and a half percent (7.5%) of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within ten (10) business days of the Settlement Administrator notifying the Parties of the number of Class Members who have submitted timely and valid Requests for Exclusion following the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

33. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

34. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for: (a) Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.

1 Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
2 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
3 before filing it with the Court. By way of said motion, Plaintiffs will apply for the entry of the Final
4 Approval Order and Judgment, which will provide for, in substantial part, the following:

5 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
6 consummation of its terms and provisions;

7 b. Certification of the Settlement Class;

8 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

9 d. Approval of the application for Enhancement Payments to Plaintiffs;

10 e. Directing Defendant to fund all amounts due under the Settlement Agreement
11 and ordered by the Court; and

12 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
13 conformity with California Rules of Court 3.769 and the Settlement Agreement.

14 35. Funding of the Gross Settlement Amount. No later than fifteen (15) business days after
15 the Effective Date, Defendant will deposit the Gross Settlement Amount, less the Prior Paid Amount,
16 into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-
17 1, *et seq.*, to be established by the Settlement Administrator. Defendant shall provide all information
18 necessary for the Settlement Administrator to calculate necessary payroll taxes including its official
19 name, 8-digit state unemployment insurance tax ID number, and other information requested by the
20 Settlement Administrator, no later than fifteen (15) business days after the Effective Date.

21 36. Distribution of the Gross Settlement Amount. Within five (5) business days of the
22 funding of the Gross Settlement Amount, less the Prior Paid Amount, the Settlement Administrator
23 will issue the Individual Settlement Payments to Settlement Class Members, Individual PAGA
24 Payments to PAGA Employees, LWDA Payment to the LWDA, Enhancement Payments to Plaintiffs,
25 Attorneys' Fees and Costs to Class Counsel, and Settlement Administration Costs to itself. The
26 Settlement Administrator shall also set aside the Employer Taxes and all employee-side payroll taxes,
27 contributions, and withholding, and timely forward these to the appropriate government authorities.

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1 37. Settlement Checks. The Settlement Administrator will be responsible for undertaking
2 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
3 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
4 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
5 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
6 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
7 Members and PAGA Employees are not required to submit a claim to be issued an Individual
8 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
9 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
10 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
11 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
12 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or
13 PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under
14 California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to
15 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant
16 will not be required to pay any interest on such amounts. Should the Court require a *cy pres* recipient,
17 then the Parties shall select a mutually agreeable *cy pres* recipient. The Settlement Administrator shall
18 undertake amended and/or supplemental tax filings and reporting required under applicable local,
19 state, and federal tax laws that are necessitated due to the cancelation of any Individual Settlement
20 Payment and/or Individual PAGA Payment checks. Settlement Class Members whose Individual
21 Settlement Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and
22 PAGA Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be
23 bound by the PAGA Settlement.

24 38. Class Settlement Release. Upon the Effective Date and full funding of the Gross
25 Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally,
26 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
27 Released Class Claims.

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1 39. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
2 Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all
3 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,
4 relinquished, and discharged the Released Parties of all Released PAGA Claims.

5 40. Plaintiffs' General Release. Upon the Effective Date and full funding of the Gross
6 Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully,
7 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties
8 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'
9 fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or
10 unsuspected, asserted or unasserted, arising out of, relating to, or resulting from their employment
11 and/or separation of employment with Defendant, which Plaintiffs, at any time up until the execution
12 of this Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general
13 release and is to be broadly construed as a release of all claims, provided that, notwithstanding the
14 foregoing, this Paragraph expressly does not include a release of any claims that cannot be released
15 hereunder by law. Any and all rights granted under any state or federal law or regulation limiting the
16 effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil
17 Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as
18 follows:

19 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
20 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
21 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM**
22 **OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
23 **THE DEBTOR OR RELEASED PARTY.**

24 41. Final Approval Order and Judgment. The Parties shall provide the Settlement
25 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
26 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
27 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
28 Class will be required.

1 42. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
2 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
3 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
4 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
5 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
6 Settlement Agreement.

7 43. Effects of Termination or Rescission of Settlement. Termination or rescission of the
8 Settlement Agreement shall have the following effects:

9 a. The Settlement Agreement shall be void and shall have no force or effect, and
10 no Party shall be bound by any of its terms;

11 b. In the event the Settlement Agreement is terminated, Defendant shall have no
12 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
13 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
14 Administrator is notified that the Settlement has been terminated;

15 c. The Preliminary Approval Order and Final Approval Order and Judgment,
16 including any order certifying the Class, shall be vacated;

17 d. The Settlement Agreement and all negotiations, statements, and proceedings
18 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
19 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

20 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
21 statements, or filings in furtherance of the Settlement (including all matters associated with the
22 mediation) shall be admissible or offered into evidence in the Action or any other action for any
23 purpose whatsoever; and

24 f. Any documents generated to bring the Settlement into effect, will be null and
25 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
26 likewise be treated as void from the beginning.

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1 44. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
2 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
3 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
4 of action or right herein released and discharged.

5 45. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
6 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
7 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

8 46. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
13 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure
14 Section 1856(a), which provide that a written agreement is to be construed according to its terms and
15 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic
16 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement
17 Agreement.

18 47. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
19 the Action (including with respect to California Code of Civil Procedure Section 583.310), except
20 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final
21 Approval Hearing to be conducted by the Court.

22 48. Amendment or Modification. Prior to the filing of the motion for preliminary approval
23 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
24 except by written agreement signed by counsel for all Parties. After the filing of the motion for
25 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
26 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
27 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
28 constitute a waiver of any other provision.

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1 49. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
9 confidentiality provisions that otherwise might apply under state or federal law.

10 50. Publicity. Plaintiffs and Class Counsel agree not to issue a press release or otherwise
11 notify the media about the terms of the Settlement or advertise or market any terms of the Settlement
12 through written, recorded, or electronic communications. In addition, Class Counsel will not put
13 details about the Settlement on their website(s), unless no reference is made to the case name or
14 Defendant. If Plaintiffs or Class Counsel are contacted regarding this case, they will take reasonable
15 steps to determine whether the contacting party is a member of the Class. If the contacting party is
16 not a Class Member or the legal representative of a Class Member, they will state only that the lawsuit
17 exists and has been resolved. However, this will not prevent Class Counsel from undertaking required
18 submissions and disclosures that are required to obtain approval of the Settlement, and carry out their
19 duties as Class Counsel to communicate with Class Members. Nothing herein will restrict Class
20 Counsel from including publicly available information regarding the Settlement in future judicial
21 submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiffs and
22 Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity
23 with PAGA.

24 51. Signatories. It is agreed that because the members of the Class are so numerous, it is
25 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
26 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
27 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
28 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
the same force and effect as if this Settlement Agreement were executed by each Settlement Class
Member and PAGA Employee.

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

3 53. California Law Governs. All terms of this Settlement Agreement and attached exhibits
4 hereto will be governed by and interpreted according to the laws of the State of California.

5 54. Execution and Counterparts. This Settlement Agreement is subject only to the
6 execution of all Parties. However, this Settlement Agreement may be executed in one or more
7 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
8 copies of the signature page, will be deemed to be one and the same instrument.

9 55. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
10 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
11 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
12 account all relevant factors, present and potential. The Parties further acknowledge that they are each
13 represented by competent counsel and that they have had an opportunity to consult with their counsel
14 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
15 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
16 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
17 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

18 56. Invalidity of Any Provision. Before declaring any provision of this Settlement
19 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
20 possible consistent with applicable precedents so as to define all provisions of this Settlement
21 Agreement valid and enforceable.

22 57. Plaintiffs' Cooperation. Plaintiffs agree to sign this Settlement Agreement and, by
23 signing this Settlement Agreement, are hereby bound by the terms herein and agree to fully cooperate
24 to implement the Settlement.

25 58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
26 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
27 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
28 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines

1 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
2 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
3 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
4 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
5 construed as an admission or concession by Defendant of any such violations or failures to comply
6 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
7 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
8 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
9 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
10 federal, state, local, or other applicable law.

11 59. Captions. The captions and paragraph numbers in this Settlement Agreement are
12 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
13 intent of the provisions of this Settlement Agreement.

14 60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
15 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
16 construed more strictly against one Party than another merely by virtue of the fact that it may have
17 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
18 negotiations between the Parties, all Parties have contributed equally to the preparation of this
19 Settlement Agreement.

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

24 62. All Terms Subject to Final Court Approval. All amounts and procedures described in
25 this Settlement Agreement herein will be subject to final Court approval.

26 63. Notices. All notices, demands, and other communications to be provided concerning
27 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
28 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed

as follows:

To Plaintiffs and Class Counsel:

Jonathan M. Genish

jgenish@blackstonepc.com

Karen I. Gold

kgold@blackstonepc.com

Marissa A. Mayhood

mmayhood@blackstonepc.com

Alexandra Rose

arose@blackstonepc.com

Jasmine Y. Kianfard

jkianfard@blackstonepc.com

BLACKSTONE LAW, APC

8383 Wilshire Boulevard, Suite 745

Beverly Hills, California 90211

Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

Amber A. Eklof

aeklof@grsm.com

Seth Weisburst

sweisburst@grsm.com

GORDON REES SCULLY MANSUKHANI, LLP

315 Pacific Avenue

San Francisco, California 94111

Tel: (415) 986-5900 / Fax: (415) 986-8054

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF JUAN CAMPOS-LEDEZMA

Dated: 07/22/2025



Plaintiff Juan Campos-Ledezma

PLAINTIFF HECTOR SANCHEZ

Dated: 07/23/2025

*Heber
Sanchez*

Plaintiff Hector Sanchez

**DEFENDANT INSTITUTE FOR
ENVIRONMENTAL HEALTH, INC.**

Dated: August 4, 2025

[Signature]

Full Name: Dalia Alfi

Title: CEO

On behalf of Defendant Institute for
Environmental Health, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: July 23, 2025

[Signature]

Alexandra Rose

Attorneys for Plaintiffs Juan Campos-Ledezma
and Hector Sanchez and Proposed Class Counsel

**GORDON REES SCULLY MANSUKHANI,
LLP**

Dated: August 21, 2025

[Signature]

Amber A. Eklof

Seth Weisburst

Attorneys for Defendant Institute for
Environmental Health, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Juan Campos-Ledezma, et al. v. Institute of Environmental Health, Inc.
Superior Court of California for the County of Stanislaus, Case No. CV-23-006693

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Juan Campos-Ledezma and Hector Sanchez (together, "Plaintiffs") and Defendant Institute of Environmental Health, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled *Juan Campos-Ledezma, et al. v. Institute of Environmental Health, Inc.*, Stanislaus County Superior Court, Case No. CV-23-006693 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from November 14, 2019 through January 15, 2025.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from May 28, 2023 through January 15, 2025.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On November 14, 2023, Plaintiff Juan Campos-Ledezma commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the action entitled *Juan Campos-Ledezma, et al. v. Institute of Environmental Health, Inc.*, Stanislaus County Superior Court Case No. CV-23-006693 (the "Campos Action"). On May 28, 2024, Plaintiff Hector Sanchez provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that were allegedly violated ("PAGA Letter"). On February 4, 2025, Plaintiffs filed a First Amended Class and Representative Action Complaint ("Operative Complaint"), which added Plaintiff Hector Sanchez as a named plaintiff and a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA").

Plaintiffs contend that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under PAGA. Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Action or that it engaged in any wrongdoing or violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed CPT Group, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Juan Campos-Ledezma and Hector Sanchez as representatives of the Class (together, “Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Karen I. Gold
Marissa A. Mayhood
Alexandra Rose
Jasmine Y. Kianfard
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiffs, Class Members, or PAGA Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is One Million One Hundred Seventy-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$1,176,412.00) (the “Gross Settlement Amount”), which includes the amount of One Hundred Twenty-Six Thousand Four Hundred Twelve Dollars and Zero Cents (\$126,412.00) that was already paid to certain Class Members for individual release agreements (the “Prior Paid Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$411,744.20), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class Counsel; (2) Enhancement Payments in amounts not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each to Plaintiffs (total, \$15,000.00) for their services in the Action; (3) the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$75,000.00) (“LWDA Payment”) and the remaining 25% (\$25,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member performed at least some work

for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). If a Class Member received a payment that constitutes a portion of the Prior Paid Amount (“Prior Paid Individual Amount”), then the gross amount of the Prior Paid Individual Amount will be deducted from their Individual Settlement Share. Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee performed at least some work for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From November 14, 2019 through January 15, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From May 28, 2023 through January 15, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Action (*Campos-Ledezma v. Institute of Environmental Health, Inc.*, Case No. CV-23-006693); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you. If you received a Prior Paid Individual Amount, then that amount will be deducted from your Individual Settlement Share.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Based on Defendant's records, you already received \$ [REDACTED] for an individual settlement agreement related to the claims asserted in the Action. Accordingly, that amount has been deducted from your Individual Settlement Share above.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

"Released Class Claims" means any and all claims which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the Class Period, which specifically includes but is not limited to claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 213, 216, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4, the applicable Industrial Welfare Commission Wage Order(s), California Business and Professions Code sections 16600, 16700, and 17200, *et seq.*, California Civil Code section 1786, *et seq.*, and 15 U.S.C. section 1681, *et seq.*, and all the claims, charges, complaints, liens, demands, causes of action, obligations, damages, and liabilities, known or suspected based on the allegations and/or statutes/orders above.

"Released PAGA Claims" means any and all claims arising from any of the factual allegations in the Operative Complaint and/or PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, which specifically includes but is not limited to claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses and/or violation(s) of California Labor Code §§ 98.6, 201, 201.3, 202, 203, 204, 210, 212, 213, 216, 218.5, 218.6, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 232, 232.5, 233, 234, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 1527, 2800, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 8397.4, and the applicable Industrial Welfare Commission Wage Order(s).

"Released Parties" means Defendant and its affiliates, parents, and each of their company-sponsored employee benefit plans, and their respective successors and predecessors in interest, all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents, and each of their past, present and future officers, directors, shareholders, employees, agents, principals, heirs, representatives, attorneys, accountants, auditors, consultants, insurers, and reinsurers,

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$411,744.20) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (collectively, "Attorneys' Fees and Costs"), subject to approval by the Court. The Attorneys' Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each to Plaintiffs (total, \$15,000.00) ("Enhancement Payment(s)"), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to any other payments that are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fourteen Thousand Dollars and Zero Cents (\$14,000.00) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Campos-Ledezma v. Institute of Environmental Health, Inc.*, Case No. CV-23-006693); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or**

before **[Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Campos-Ledezma v. Institute of Environmental Health, Inc.*, Case No. CV-23-006693); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 22 of the Stanislaus County Superior Court, located at 1010 10th Street, Sixth Floor, Modesto, California 95354, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can find more information regarding appearing remotely through the Stanislaus Superior Court’s website: <https://www.stanislaus.courts.ca.gov/online-services/remote-appearances>

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting <https://stanportal.stanct.org/search> and entering the case number (Case No. CV-23-006693).

You may also visit the Settlement Administrator’s website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**

EXHIBIT 4



Thank you for your Proposed Settlement Submission

Desde no-reply@formassembly.com <no-reply@formassembly.com>

Fecha Vie 22/08/2025 17:06

Para Lorena Bautista <lbautista@blackstonepc.com>

[External Email].

08/22/2025 03:06:28 PM

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

Item submitted: Proposed Settlement

On 08/22/2025 03:06:28 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1030804-24

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>