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on behalf of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

KEYAHN PINKSTON, on behalf of himself and others similarly situated, Plaintiffs, v. CUSTOMIZED GUARD SERVICES & SYSTEMS, a California corporation; UNITED FACILITY SOLUTIONS, INC., a California corporation; COMMAND GUEST SERVICES, INC., a California corporation; and DOES 1 through 50, inclusive, Defendants.	**CLASS ACTION** Case No. 24STCV15096 Assigned for All Purposes To: Honorable Laura A. Seigle Dept. 17 **DECLARATION OF ENOCH J. KIM IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Hearing Information: Date: September 2, 2026 Time: 09:00 a.m. Dept: 17 Action filed: June 17, 2024 FAC Filed: August 21, 2024 Trial date: None Set

DECLARATION OF ENOCH J. KIM

I, Enoch J. Kim, declare as follows:

1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California.

2. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiff Keyahn Pinkston ("Plaintiff"), on behalf of himself and all other similarly situated employees of Defendant Customized Guard Services & Systems ("Defendant") (Plaintiff and Defendant are collectively referred to herein as "the Parties"). All of the matters set forth herein are within my personal knowledge. I submit this Declaration in support of Plaintiff's Motion for Preliminary Approval of the Parties' Class and PAGA Settlement Agreement ("Motion"). A true and correct copy of the Parties' Class and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement") is attached hereto as **Exhibit 1**.

Procedural History

3. Plaintiff worked as an hourly non-exempt employee for Defendant and seeks to represent approximately 463 current and former California non-exempt employees who worked for Defendant during the Class Period. Defendant operates as a for-profit corporation, which focuses on providing security services including on-site security, CCTV systems, threat and risk assessment, alarm monitoring, life and fire protection, and network security.

4. On June 17, 2024, Plaintiff commenced a Class Action by filing a Complaint alleging causes of action against Defendant for (1) Failure To Pay Minimum Wages; (2) Failure To Pay Wages and Overtime Under Labor Code § 510; (3) Meal-Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Failure To Pay Vacation Wages; (6) Failure To Comply With Labor Code §§ 245 *et seq*. and 246; (7) Reimbursement Of Necessary Expenditures Under Labor Code § 2802; (8) Violation Of Labor Code § 226(a); (9) Failure To Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (10) Failure To Produce Requested Employment Records Under Labor Code §§ 226 And 1198.5; (11) Penalties Pursuant To Labor Code § 203; (12) Violation Of Business And Professions Code §

17200, *et seq.* (the "Action").

5. On June 17, 2024, Plaintiff submitted a PAGA notice (LWDA-CM-1034420-24) to the Labor and Workforce Development Agency ("LWDA"). A true and correct copy of the PAGA notice is attached hereto as **Exhibit 2**. On August 21, 2024, Plaintiff filed a First Amended Complaint ("Operative Complaint") adding a claim for civil penalties under the California Private Attorneys General Act.

6. Plaintiff contends that Defendant violated California's wage and hour laws by failing to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failing to provide compliant meal periods and/or meal period premium pay; failing to authorize and permit compliant rest breaks and/or rest break premium pay; failing to pay for all time worked, including due to alleged off-the-clock; failing to pay wages at the correct regular rate of pay; failing to pay timely wages upon separation from employment; failing to provide accurate and/or itemized wage statements; failing to maintain records; failing to produce requested records; failing to reimburse business expenses; and violating Cal. Bus. & Prof. Code section 17200 *et seq*.

Investigation

7. Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. This required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to the above-described research into the various legal issues involved in the case. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff's personnel file and other documentation; (4) interviewing Plaintiff regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to informal discovery and in advance of the mediation. The Parties

conducted their own evaluations of the potential recoveries based on the claims alleged in the Action, including consulting experts.

8. Defendant, for its part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims and attempt settlement.

Settlement Efforts

9. On November 18, 2025, the Parties attended an all-day mediation session with Lonnie Giamela, Esq., an experienced litigator and mediator in the field of wage and hour class actions. Counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks of continued litigation and the risks to all parties of proceeding with a class certification motion, as well as the merits of the primary claims in this case. Following mediation, the Parties accepted a mediator's proposal outlining general settlement terms. The Parties continued to work together on a long-form Settlement Agreement following mediation, which resulted in the Settlement Agreement before the Court for approval.

10. From Class Counsel's review of the facts, strengths, and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believes that the recovery for each Class Member is fair and reasonable. Further, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

Summary of the Settlement

11. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay $400,000.00 ("**Gross Settlement Amount**") on a non-reversionary basis. (Exhibit 1, Settlement Agreement, ¶ 3.1.) In addition to and separate from the Gross Settlement Amount, Defendant will pay the employer's portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. The Settlement Agreement defines the "Class" as all current and former hourly non-exempt employees who worked for Defendant in

California during the Class Period (i.e. March 28, 2023 to December 31, 2025). (Exhibit 1, Settlement Agreement, ¶ 1.5, 1.12.) The Settlement Agreement also defines "Aggrieved Employee" as all current and former hourly non-exempt employees who worked for Defendant in California during the PAGA Period (i.e. June 17, 2023 to December 31, 2025). (Exhibit 1, Settlement Agreement, ¶ 1.3, 1.30) The "Net Settlement Amount" available for distribution to Class Members is the Gross Settlement Amount less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. (Exhibit 1, Settlement Agreement, ¶ 1.27.) These amounts are detailed as follows:

- <u>Class Counsel's Fees and Litigation Expenses Payment</u>: Up to one-third of the Gross Settlement Amount, or **$133,333.33**, to Class Counsel as attorneys' fees for the litigation and resolution of this Action and actual costs incurred in this Action, which is currently estimated not to exceed $25,000.00. (Exhibit 1, Settlement Agreement, ¶ 3.4);
- <u>Class Representative Enhancement Award to Named Plaintiff</u>: Up to **$7,500.00** to Plaintiff as an award for his service as the class representative (Exhibit 1, Settlement Agreement, ¶ 3.3.);
- <u>Administration Expense Payment</u>: A not-to-exceed amount of **$10,000.00** to the Settlement Administrator for its costs of administration of the Settlement (Exhibit 1, Settlement Agreement, ¶ 3.5);
- <u>PAGA Payment:</u> **$40,000.00** for settlement of claims for civil penalties under PAGA, with 25% ($10,000.00) allocated to the Aggrieved Employees ("Individual PAGA Payments") and 75% ($30,000.00) allocated to the LWDA ("LWDA PAGA Payment") (Exhibit 1, Settlement Agreement, ¶ 3.5.4).

12. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount ("NSA") is estimated to be **$184,166.67**. The "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount

calculated according to the number of Workweeks worked during the Class Period. (Exhibit 1, Settlement Agreement, ¶ 1.22.) Each Participating Class Member's "Individual Class Payment" shall be calculated by the Settlement Administrator using the following formula: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (Exhibit 1, Settlement Agreement, ¶ 3.5.1.) For the approximately 463 Class Members (if no exclusions), the average Gross Individual Settlement Payment, using a straight average, is $397.77.

13. Not later than 14 days after the full execution of this Agreement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (Exhibit 1, Settlement Agreement, ¶ 4.2.) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendant's records. (Exhibit 1, Exhibit A, Class Notice). Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. (Exhibit 1, Settlement Agreement, ¶ 7.4.3.) If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. (*Id.*) The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (*Id.*) Class Members who want to opt out must timely submit a signed and dated written request to be excluded from the class portion of the Settlement to the Settlement Administrator ("Opt-Out Request"). Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (i.e

60 days after the Administrator mails the Class Notice). (Exhibit 1, Settlement Agreement, ¶ 1.41, 7.5.1.) The Parties have jointly selected Phoenix Settlement Administrators ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. (Exhibit 1, Settlement Agreement, ¶ 7.1.) The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements. (*Id.*) Phoenix has experience administering class action and PAGA settlements, has procedures in place to protect the security of class data, adequate insurance in the event of a data breach or defalcation of funds, and is qualified to administer the Settlement. (*See* Declaration of Jodey Lawrence, which also includes a breakdown of the anticipated costs of notice to the class.) In addition, Phoenix will have a website for Class Members to review and reference for details regarding the Final Approval Hearing and any Final Approval Order and Judgement. If the Court grants final approval of the Settlement, a copy of the Final Approval Order and Judgment will be posted on this website for Class Members to review. The website will be provided to Class Members in the Class Notice that is mailed to them.

Certification for Settlement Purposes Only is Appropriate

14. Plaintiff alleges that the proposed Class satisfies the criteria for certification of a settlement class under California law, as embodied in California Code of Civil Procedure § 382. Defendant has agreed to the conditional certification of the class for settlement purposes only. Defendant does not concede that certification is appropriate outside of this Settlement and preserves all rights to oppose certification if, for any reason, the Settlement does not become effective. In general, courts may take a proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a "lesser standard" of scrutiny applies in certifying classes for settlement purposes. *Id*. Therefore, the Court should take into consideration the fact that the Parties have settled their claims and stipulated to certification for settlement purposes when assessing whether

the Settlement is fair and reasonable.

15. Numerosity and Ascertainability. The putative Class is so numerous that joinder of all members is impractical. Class Members are individuals who worked for Defendant in California as non-exempt, hourly employees during the period from March 28, 2023 to December 31, 2025. Defendant has identified 463 Class Members based on a review of its payroll and personnel records. Thus, the requirements of numerosity and ascertainability are met here.

16. Well-Defined Community of Interest. Plaintiff contends, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the Class is united in its proof. This action involves, *inter alia*, a determination about Defendant's alleged failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked, including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; failure to reimburse business expenses; and largely derivative claims under the UCL and PAGA. Plaintiff contends Defendant's practices affected Class Members in the same way and presents questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and practices. The outcome of litigation in this matter depends upon questions that are common to Class Members.

17. Typicality. The class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative Class Members and if their claims rest on the same legal theories. Here, Plaintiff alleges that his claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. Plaintiff and Class Members were employed by Defendant during the Class Period and were subject to the allegedly unlawful meal and rest policies and pay

practices at issue in this litigation. Thus, the typicality requirement is satisfied.

18. Adequacy. Plaintiff's interests are aligned with those of the Class Members, as he has suffered the same injuries as the Class Members and has no conflicts of interest. Plaintiff has not shrunk from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and energy to litigating this action and effectuating a settlement. Furthermore, as set forth below, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously represented the interests of the class in litigating this case and have no conflicts of interest with the Class or Administrator. Accordingly, the adequacy requirement is satisfied.

19. Predominance and Superiority. Plaintiff contends that individualized issues do not predominate over the issues of law and fact that are common to the Class as a whole. As explained, *supra*, Plaintiff alleges there are common issues of law and fact given that Plaintiff and all Class Members were subjected to the same policies and pay practices during the relevant time period. Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, and penalties for work performed as non-exempt employees for Defendant. Plaintiff alleges that these issues are suitable for common adjudication because all Class Members were allegedly subject to the same employment policies, and Plaintiff contends the practices applied uniformly to all Class Members.

20. Plaintiff contends that class resolution is superior to other available methods for the fair and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the alleged injury resulting from Defendant's policies and practices are allegedly real and significant, the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. If Class Members are forced to litigate their claims individually this would result in over 463 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for relatively small amounts. Hence, an individual suit would prove uneconomical for potential Plaintiff because litigation costs would dwarf a potential recovery.

The Settlement is Fair, Adequate, and Reasonable

21. In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as "the strength of Plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement." *Id.* The Settlement satisfies all of these requirements.

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

22. The proposed settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary Class Information. The negotiations have been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion."). Although Plaintiff steadfastly maintain that his claims are meritorious, Plaintiff acknowledges that there were substantial risks and uncertainty in proceeding with litigation. As described below, Defendant presented multiple defenses to Plaintiff's claims, both on the merits and with respect to class certification. Thus, while Plaintiff was prepared to litigate these claims through class certification, and ultimately trial, success was far from certain. Assistance from a skilled mediator ensured that negotiations were non-collusive and well-informed.

B. Extent of Discovery and Stage of Proceedings.

23. As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses. This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses.

C. Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation.

24. Plaintiff's claims are based on Defendant's alleged failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked, including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; failure to reimburse business expenses, and largely derivative claims under the UCL and PAGA.

25. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. Specifically, Plaintiff alleges that Defendant required Plaintiff and Class Members to perform work prior to clocking in and after clocking out for the day, including waiting to be relieved of duty after clocking out and responding to work-related phone calls and text messages while off the clock.

26. Defendant contends that it did not require off the clock work, paid for all reported hours worked, that Class Members were instructed and required to record all hours worked. Defendant also contends that any alleged off the clock work was performed without Defendant's knowledge, and that it paid wages at the proper rates. Defendant also argued that given its written policies and practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel applied a significant discount to damages based on this theory.

27. Plaintiff also alleges that Defendant failed to provide Plaintiff and Class Members with lawful first and second meal periods. For example, Plaintiff alleged that Plaintiff and Class Members were often required to work through their meal periods or provided untimely and shortened meal periods.

28. Defendant contends that Class Members were given a reasonable opportunity to take their meal periods and that any deviations were at the voluntary election of Class Members. Moreover, when compliant meal periods were not provided, Defendant contends that it provided

premium pay to Class Members as reflected in their time and pay records. Defendant further contends that the meal break claim requires individualized inquiries which would preclude class certification. If Defendant's contentions prevail in trial, the likely outcome would be no recovery for the Class Members on the meal break claim.

29. Plaintiff also contends that Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or major fraction thereof. Specifically, Plaintiff alleges that Defendant required Plaintiff and Class Members to work through their rest breaks or have their rest breaks interrupted by work duties.

30. Defendant maintains that it did provide a reasonable opportunity for Class Members to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not provided. Considering that unlike meal periods, rest breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially depress the damages ultimately awarded. Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

31. Defendant also required Plaintiff and Class Members to incur necessary business expenses in the course of performing their required job duties without reimbursement. These included personal cell phone usage, vehicle mileage and fuel, and tools and equipment, including a flashlight, chair, and gloves.

32. As for the wage statement and waiting time penalties claims, Plaintiff alleges that Defendant consistently failed to provide Class Members with accurate and itemized wage statements and all wages due to Class Members upon termination of their employment with Defendant. Defendant contends that these claims are merely derivative of the underlying claims and that Plaintiff and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. Defendant further contends that even if they could first establish liability for the underlying claims, Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Plaintiff and Class Members. Thus, Defendant contends that the wage statement

and waiting time penalties claims to have little to no value.

33. Further, Defendant contends that the PAGA claim is also derivative of the underlying claims in the Action and ultimately fails because the underlying claims have no merit. Defendant also contends that even if Plaintiff and Class Members could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature.

34. Defendant generally denies all claims alleged in the Action and further denies class and/or representative treatment is appropriate for any purpose other than this Settlement and that it complied with all applicable laws. However, Defendant has concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein.

35. As stated above, while Plaintiff and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

D. The Risk of Maintaining Class Action Status Through Trial.

36. Plaintiff had not yet filed his motion for class certification, and as such, the extent to which Plaintiff proposed classes were certifiable is somewhat speculative. Absent a settlement, there was a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Settlement Class, resulting in less overall recovery.

37. Finally, in class actions, decertification is always a possibility, and there is always

a risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat. Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and the commitment of extensive further time and financial resources. Finally, given the complexity and unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for resolution in this matter. Risk and legal uncertainty must be dealt with in any litigation, and this Settlement was the product of compromise accounting for those risks and that uncertainty.

E. The Presence of a Governmental Participant.

38. Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2).

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.

39. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

40. The strength of the Plaintiff's case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant failed to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failed to provide compliant meal periods and/or meal period premium pay; failed to authorize and permit compliant rest breaks and/or rest break premium pay; failed to pay for all time worked, including due to alleged off-the-clock; failed to pay wages at the correct regular rate of pay; failed to pay timely wages upon separation from employment; failed to provide accurate and/or itemized wage statements; failed to maintain records; failed to produce requested records; failed to reimburse

business expenses all in violation of California law. Plaintiff seeks related violations of California's Business & Professions Code, penalties pursuant to Labor Code § 2699 *et seq*. Summary calculations for estimated liability for each of these claims are below.

Failure to Pay Minimum and Overtime Wages:

41. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week.

42. Class Counsel's expert estimated Defendant's exposure on the unpaid wages due to off the clock work attributable to overtime to be approximately $555,853.00 (assuming 1 hour of off the clock work per week and 85% of off the clock hours attributable to overtime). However, given Defendant's defenses and the potential hurdles facing certification of off-the-clock claims, Class Counsel applied a 90% discount making for an adjusted realistic exposure of **$55,585.30** for Defendant.

Meal Periods and Rest Breaks:

43. Plaintiff alleges that Defendant had a common practice and policy of denying compliant meal periods.

44. For each meal period missed, of less than 30 minutes, or taken late for which the employee was not provided a reasonable opportunity to take a complete and timely meal period, an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as "premium pay." To comply with these laws, every employer must keep, for each employee, accurate time records showing when the employee begins and ends each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3). Plaintiff alleges that Defendant failed to pay the legally required premium at their regular rate of pay whenever meal periods were missed, interrupted, or late.

45. Class Counsel's expert estimated Defendant's maximum exposure on the meal period claim at approximately $1,638,078.00. However, given Defendant's defenses and the potential hurdles facing certification of the meal break claim, Class Counsel applied an 90% discount making for an adjusted realistic exposure of **$163,807.80** for Defendant.

46. Rest Breaks: Plaintiff contends that Defendant did not provide Class Members with timely paid 10-minute rest breaks for every four hours or major fraction thereof.

47. Class Counsel's expert estimated Defendant's maximum liability exposure on the rest break period claim at approximately $1,771,980.00 assuming a 100% violation rate. However, given Defendant's contentions and the difficulties facing certification of rest break claims, Class Counsel applied a 95% discount making for an adjusted realistic exposure of **$88,599.00** for Defendant. Owing to the arguments above and the fact that the recording of rest periods is not required, this claim was substantially discounted.

Inaccurate Wage Statement Violations:

48. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover $50 for initial violations for inaccurate wage statements and $100 for subsequent violations, up to a maximum of $4,000 per employee.

49. Class Counsel's expert estimated Defendant's maximum total exposure on the section 226 claim at approximately $878,550.00 (assuming $50/$100 for initial and subsequent violations and 307 employees during the relevant period and a maximum of $4,000 per employee). After considering Defendant's contentions and the potential class certification issues as well as the derivative nature of this claim, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **$43,927.50.**

Failure to Pay Final Wages at Termination or Separation:

50. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiff allege that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

51. Section 203 further provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Because Class Members stopped working for Defendant but were allegedly not paid their full

compensation for the reasons discussed above, Class Members did not receive all wages due upon termination of employment.

52. Class Counsel estimated Defendant's maximum total exposure on the section 203 claim at approximately $1,040,050.80 (230 terminated employees during the relevant period x 30 days x average hourly rate per year x 7.9 hours per workday). Given the foregoing arguments, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **$52,002.54**.

Failure to Reimburse for Necessary Business Expenditures:

53. Under Labor Code § 22802(a) Defendant must indemnify Plaintiff and Class Members for all necessary expenditures or losses incurred in direct consequence of the discharge of their duties. As discussed above, Plaintiff alleges that Plaintiff and Class Members incurred necessary expenditures in the performance of their job duties for Defendant, these included personal cell phone usage, vehicle mileage and fuel, and tools and equipment. Defendant contends that they had an expense reimbursement policy and did reimburse Plaintiff and Class Members for any business expenses incurred pursuant to their policy.

54. Plaintiff estimated Defendant's total exposure on the unreimbursed business expenses claim at approximately $1,355,670.00 ($50 x 463 Class Members [for tools] + $50 per month [for cell phone and mileage]). However, given Defendant's reimbursement policy and the potential for the need for individualized inquiries making class certification of this claim difficult, Class Counsel applied a 90% discount to get an adjusted realistic exposure of **$135,567.00**.

PAGA Penalties:

55. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq*., allows Plaintiff to obtain civil penalties on behalf of himself and other aggrieved employees for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one ($100) for each aggrieved employee per pay period for the initial violation and two hundred

dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five percent (25%) allocated to the affected employees. The limitations period for all penalties is one year prior to the filing of the complaint.

56. The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 et seq., 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, et seq. and 2802. PAGA penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision). Defendant contested Plaintiff's claim for PAGA penalties.

57. PAGA penalties are also derivative of each and every other claim, and Defendant argued the PAGA claims would be subject to the same defenses as the underlying claims, and as well as additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant had never been notified of the alleged violations. *Id.* at 1208-1209.

58. Plaintiff estimated Defendant's total exposure on the PAGA claim at approximately $893,900.00 (8,939 PAGA Pay Periods x $100). However, Class Counsel also estimated any PAGA recovery would be substantially reduced and applied a discount of 95% in light of the countervailing arguments with regard to the other causes of action and the Court's power to award "a lesser amount than the maximum civil liability" to get a realistic exposure of $44,695.00. The PAGA allocation agreed upon by the Parties therefore was **<u>$40,000.00</u>**, subject to the Court's final approval. 75% of that amount ($30,000.00) will be paid to the LWDA out of

the Gross Settlement Amount, and the remaining 25% ($10,000.00) will remain in the PAGA Settlement Fund for distribution to the Aggrieved Employees.

Unfair Business Practices

59. Plaintiff pled this cause of action to augment their other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff's wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute.

Summary

60. The foregoing discussion establishes the adequacy of the Settlement amount in light of the merits of Plaintiff's case and establishes the fairness of the class-action settlement in the instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating to Defendant's legal and factual arguments that worked to detract from the strength of Plaintiff's case.

61. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary in light of Defendant's contentions and denial of liability. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiff estimated that Defendant faced approximately $584,184.14 in total realistic exposure on Plaintiff's main claims. The Gross Settlement Amount of $400,000.00 therefore represents a recovery for the Class Members of approximately 68% of the total realistic exposure Plaintiff estimated Defendant could face on these class-wide claims. Class Counsel submits that this is an optimal result for the Class in light of all of the factors described above.

Class Counsel Fees Payment is Fair and Reasonable

62. Under the Settlement, Class Counsel requests, without opposition from Defendant, an award of $133,333.33 for attorneys' fees and reasonable expenses incurred to prosecute the Action. This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in

the first place as they will not receive any compensation for their efforts until recovery is obtained for the Class. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Class Members, communicating with Class Members regarding their claims, and assisting in the administration of the Settlement if it is preliminarily approved. The requested fee is reasonable for the services provided to Class Members and for the benefits they are to receive. Class Counsel's costs incurred to date and estimated future costs currently total $19,706.39.

Class Representative Service Payments are Fair and Reasonable

63. Plaintiff is entitled to a reasonable service payment for his efforts and initiative in bringing and helping to prosecute this action. Plaintiff spent significant time better apprising themselves of their rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and communicating with Class Counsel. Plaintiff was consistently communicative with counsel, routinely checked-in, and was responsive to Class Counsel's requests for information for discovery, documentation, and meetings.

64. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on to discuss every aspect of his case.

65. In agreeing to be the named plaintiff in this litigation, Plaintiff accepted a number of risks. For example, Plaintiff accepted the potential risk of being liable for Defendant's costs and potentially the company's fees if the lawsuit was unsuccessful. Further, Plaintiff risked the potential stigma of being a class representative in a class action labor dispute, which may affect his future employability.

66. Plaintiff secured a benefit for the Class worth $400,000.00. In the aggregate, the requested enhancement represents only a small percentage of the settlement consideration. The total amount which Plaintiff is requesting to be allocated to a service award is approximately 1.9% of the total settlement amount. In light of the foregoing, Class Counsel believes that the $7,500.00 incentive awards to the Class Representative is fair and reasonable.

Proposed Class Notice Provides Adequate Notice

67. The notification procedure set out in the Settlement Agreement provides the greatest likelihood that each and every Class Member will receive the Class Notice, attached to the Settlement as Exhibit A. Under the Settlement, not later than 14 days after the full execution of this Agreement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice. (Exhibit 1, Settlement Agreement, ¶ 4.2, 7.4.2) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendant' records. (Exhibit A, Class Notice). Settlement Class Members who want to opt out must timely submit a signed and dated written request to be excluded from the class portion of the Settlement to the Settlement Administrator ("Opt-Out Request"). Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline (i.e. 60 days after the Administrator mails the Class Notice). (Exhibit 1, Settlement Agreement, ¶ 1.41, 7.5.1.) A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. (*Id.*) To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. (*Id.*) This is the best and most practicable way to ensure the greatest possible number of Class Members will receive the Notice.

68. The settlement agreement does not impose any affirmative duties on Participating Class Members. No claim form is required to participate in the Settlement. Individuals who wish to opt out or object may do so. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). It provides for a specific

procedure to seek exclusion from the Class, disputing payments and Class Information, challenging workweek and pay period data, and lodging objections to the settlement. (*Id*.) In the Class Notice, Class Members will also receive Class Counsel's contact information so they can speak to attorneys conversant with the legal and factual issues involved in this case, as well as the contact information for the Settlement Administrator. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the settlement are reasonable and provide the best notice practicable under the facts.

Qualifications and Adequacy of Class Counsel

69. D.Law prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as Plaintiff's counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

70. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and Aggrieved Employees in this action. Our practice is exclusively focused on employment matters and representing Plaintiff in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

71. D.Law has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara, 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of

California in Los Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of California in Los Angeles, BC623610), Schultz v. Jimbo’s Natural Family, Inc. (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Virdi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

72. I was admitted to the California Bar in December 2008, and I am Senior Counsel at D.Law. I received my J.D. from Pepperdine University School of Law and B.S. from the University of Southern California. Since graduating from law school, I have dedicated virtually my entire career on the practice of employment law. I have practiced employment law from the plaintiff's side, from the defense side, and from an in-house position. I have significant experience specifically working on wage and hour class actions from the plaintiff's side as well as the defense side, with the majority of my experience coming from the plaintiff's side.

73. Attorney Roman Shkodnik is Senior Counsel at D.Law and counsel of record for Plaintiff. He received his Bachelor of Arts in history and political science from the University of California, Los Angeles, in 2007. He then earned his Juris Doctorate from Loyola Law School in May of 2011. Upon graduating from law school, he has exclusively focused his practice on representing employees including in wage-and-hour class actions. During his career, he has represented employees in over 100 wage-and-hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern and Northern Districts of California), and he has obtained six and seven figure settlements against a range of defendants, including Fortune 500 companies. These cases have involved the gamut of wage-and-hour claims, including claims for failure to pay minimum wages, unpaid wages and overtime, inaccurate pay statements, and failure to pay timely wages - similar to claims at issue in the present matter. He is experienced

and qualified to evaluate the representative claims, to evaluate settlement versus trial on a fully informed basis, and to evaluate the viability of the defenses.

74. Associate Attorney Emma Geesaman received her Bachelor of Arts in political science from Boston University in 2019. She then earned her Juris Doctorate from Case Western Reserve University Law School in May of 2023. Upon graduating from law school, she has exclusively focused my practice on representing employees including in wage-and-hour class actions.

75. Associate Attorney Bradford Smith graduated from the University of California, Irvine with a Bachelor of Arts in History and received his Juris Doctor from Loyola Law School, Los Angeles in 2022. He was admitted to practice law in the State of California in 2022. Before joining D.Law, Inc., he worked at a law firm specializing in insurance defense litigation. Since 2023, his focus has been on wage and hour class action litigation and settlements

76. The collective experience of the D.Law attorneys in litigating employment wage and hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally negotiating fair and reasonable class and representative action settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the constantly evolving substantive law (state and federal), as well as the procedural law of class and representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the skills and knowledge developed over decades of prosecuting and defending wage and hour class actions to fairly and adequately represent the interests of the Class Members and aggrieved employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-qualified to act as class counsel and represent the Plaintiff and the putative Class Members and aggrieved employees in this action.

77. We understand the responsibilities owed as counsel to the Settlement Class Members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this action and have remained committed to dedicating the resources necessary to represent the Settlement Class and vigorously pursue their claims. Based upon my experience and understanding of the claims and defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Class Members and aggrieved employees and all involved, and

that the Settlement is well within the range of reasonableness that would permit it to be finally approved. I am not aware of any conflict of interest with Plaintiff or any other Class Member that would interfere with the duties as Class Counsel.

78. On June 24, 2026, Plaintiff submitted the Parties' Class and PAGA Action Settlement Agreement and Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement Agreement and supporting documents to the LWDA. A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 3.**

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

Executed on June 24, 2026, in Pasadena, California.

Enoch J. Kim, Esq.

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Keyahn Pinkston ("Plaintiff") and defendant Customized Guard Services & Systems ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Keyahn Pinkston v. Customized Guard Services & Systems, et al*., Case No. 24STCV15096 initiated on June 17, 2024 and pending in the California Superior Court for the County of Los Angeles.

1.2 "Administrator" means Phoenix Settlement Administrators ("Phoenix"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 "Aggrieved Employee" means all current and former hourly non-exempt employees who worked for Defendant in California during the PAGA Period.

1.5 "Class" means all current and former hourly non-exempt employees who worked for Defendant in California during the Class Period.

1.6 "Class Counsel" means D.Law, Inc.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8 "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, beginning and end dates of employment, and number of Class Period Workweeks and PAGA Pay Periods.

1.9 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11 "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 "Class Period" means the period from March 28, 2023 to December 30, 2025.

1.13 "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a class representative.

1.14 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15 "Court" means the Superior Court of California, County of Los Angeles.

1.16 "Defendant" means named Defendant Customized Guard Services & Systems.

1.17 "Defense Counsel" means Bradley + Wellerstein LLP.

1.18 "Effective Date" means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 "Final Approval" means the Court's order granting final approval of the Settlement.

1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21 "Gross Settlement Amount" means $400,000 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

1.22 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.25 "LWDA" means the California Labor and Workforce Development Agency.

1.26 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.27 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.28 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.29 "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.30 "PAGA Period" means the period from June 17, 2023 to December 30, 2025.

1.31 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698, *et seq*.).

1.32 "PAGA Notice" means Plaintiff's June 17, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.33 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($10,000) and 75% to the LWDA ($30,000) in settlement of PAGA claims.

1.34 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35 "Plaintiff" means Keyahn Pinkston, the named plaintiff in the Action.

1.36 "Preliminary Approval" means the Court's order granting preliminary approval of the Settlement.

1.37 "Released Class Claims" means the claims being released as described in Paragraph 5.3 below.

1.38 "Released PAGA Claims" means the claims being released as described in Paragraph 5.4 below.

1.39 "Released Parties" means Defendant and each of its former and present directors, officers, shareholders, owners, including but not limited to Guillermo Amador, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.40 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41 "Response Deadline" means 60 days after the Administrator mails the Class Notice and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

1.42 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.43 "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1 On June 17, 2024, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendant for: (1) failure to pay minimum wages; (2) failure to pay wages and overtime under Labor Code § 510; (3) meal-period liability under Labor Code § 226.7; (4) rest-break liability under Labor Code § 226.7; (5) failure to pay vacation wages; (6) failure to comply with Labor Code §§ 245 *et seq*. and 246; (7) reimbursement of necessary expenditures under Labor Code § 2802; (8) violation of Labor Code § 226(a); (9) failure to keep required payroll records under Labor Code §§ 1174 and 1174.5; (10) failure to produce requested employment records under Labor Code §§ 226 and 1198.5; (11) penalties pursuant to Labor Code § 203; (12) violation of Business and Professions Code § 17200, et seq. On August 21, 2024, Plaintiff filed a First Amended Complaint alleging a thirteenth cause of action against Defendant for penalties pursuant to PAGA. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On November 18, 2025, the Parties participated in an all-day mediation presided over by Lonnie Giamela, Esq. which led to this Agreement to settle the Action.

2.4 Before mediation, Plaintiff obtained, through informal discovery, a 10% sampling of time and payroll records for the putative class, relevant policy documents, and figures and information regarding the class size and composition, among other things. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification in the Action.

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

2.7 This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant bears any liability to Plaintiff or the Class or the Aggrieved Employees on those claims or any other claims, or as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant promises to pay $400,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.3 To Plaintiff: Class Representative Service Payment of not more than $7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the Motion for Final Approval, Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.4 To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be $133,333.33, and a Class Counsel Litigation Expenses Payment for reimbursement of actual costs incurred in the Action, which is currently estimated not to exceed $25,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiff and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses

Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.5 To the Administrator: An Administration Expenses Payment not to exceed $10,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than $10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.5.2 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest (10%) and penalties (70%) (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.5.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $40,000.00 to be paid from the Gross Settlement Amount, with 75% ($30,000.00) allocated to the LWDA PAGA Payment and 25% ($10,000.00) allocated to the Individual PAGA Payments.

3.5.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($10,000) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Size Estimates. Based on a review of its records as of the date the parties mediated this matter, Defendant estimates there were 463 Class Members who collectively worked a total of 20,000 Workweeks.

4.2 Class Data. Not later than 14 days after the full execution of this Agreement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall begin making payments to the Settlement Administrator on July 15, 2026 or five (5) days after the Court grants preliminary approval, whichever is earlier. Defendant will make monthly payments of $16,666.67 for a period of twenty-four (24) months until the Gross Settlement Amount is fully funded. The payments shall be deposited with the Administrator who will deposit the funds into an interest-bearing trust account referred to as the Qualified Settlement Fund account from which the Administrator will have authority to distribute money in accordance with the terms of this Agreement. The employers' share of the payroll taxes, which shall be paid in addition to the Gross Settlement Amount, will be made with the assistance of the Administrator to calculate the appropriate amount of the employers' share of the payroll taxes and will be paid within 14 days of the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after the Administrator determines that there are sufficient funds in the Qualified Settlement Fund to issue the Individual Class Payments, Individual PAGA Payments, and Class Representative Service Payment (which is estimated to be after 13 monthly payments), the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, and the Class Representative Service Payment. Within 14 days after Defendant fully funds the Gross Settlement Amount, the Administrator will make the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment.

4.4.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.

4.4.3 For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Class Member.

4.4.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

4.4.5 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payment, Plaintiff, Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and Plaintiff's respective former and present representatives, agents, attorneys, administrators, successors and assigns, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) any and all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims that may not be released as a matter of law, or those for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.3 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period, including claims for: failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked, including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; failure to reimburse business expenses; and violation of Cal. Bus. & Prof. Cose section 17200 *et seq*. ("Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Class Period.

5.4 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint and the PAGA Notice that are alleged to have occurred during the

PAGA Period, including claims for PAGA Penalties based on: failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked, including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; and failure to reimburse business expenses ("Released PAGA Claims").

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

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

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4 Notice to Class Members.

7.4.1 Not later than 15 days after the Court grants Preliminary Approval, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

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

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

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

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

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

7.8.4 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received (both valid or invalid), and the number of written objections. The declaration shall attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE. Based on its records, Defendant estimates that 463 Class Members worked a total of approximately 20,000 workweeks from March 28, 2023 through November 18, 2025. If the total number of workweeks increases by more than 10% (i.e. an increase of 2,000 or more workweeks) during the Class Period, then, at Defendant's option, either: (a) the Gross Settlement Amount will be increased in proportion to the number of total workweeks in the Class Period in excess of 10% (e.g., if the final number of workweeks for the Class Period increases by 15% over 20,000 workweeks, the Gross Settlement Amount will increase by 5%); or (b) Defendant may elect to end the Class Period at an earlier date to avoid exceeding 22,000 workweeks (or 10% increase of 20,000 workweeks), and thus, avoid additional payment under this provision. If Defendant elects option (a) and the Gross Settlement Amount is increased, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement amount after the upward adjustment required by this provision is implemented. Defendant shall make its election under this provision prior to the hearing on the motion for preliminary approval of the Settlement, and represents that it has reviewed its proposed Class Data and believes that December 30, 2025 cuts off before more than 22,000 workweeks have been worked in the Class Period.

9. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

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

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

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

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Before Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts in good faith to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.

12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

12.12 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, before the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiff:
D.Law, Inc.
Roman Shkodnik
r.shkodnik@d.law
Emma Geesaman
e.geesaman@d.law

Enoch J. Kim
e.kim@d.law
Bradford Smith
b.smith@d.law
250 N. Madison Ave.
Pasadena, CA 91101

To Defendant:

Bradley + Wellerstein LLP
Jaimee Wellerstein
jwellerstein@bwlawpros.com
Jean-Paul Le Clercq
Jpleclerq@bwlawpros.com
3601 W. Olive Ave., Suite 625
Burbank, California 91505

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

Signed by:
D4DF7CF917D243A...
_________________ For Plaintiff   _________________ For Defendant

6/24/2026

(date)   (date)

_________________ Counsel For Plaintiff   _________________ Counsel For Defendant

6/24/2026

(date)   (date)

Enoch J. Kim
e.kim@d.law
Bradford Smith
b.smith@d.law
250 N. Madison Ave.
Pasadena, CA 91101

To Defendant:
Bradley + Wellerstein LLP
Jaimee Wellerstein
jwellerstein@bwlawpros.com
Jean-Paul Le Clercq
Jpleclerq@bwlawpros.com
3601 W. Olive Ave., Suite 625
Burbank, California 91505

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____________________ For Plaintiff	DocuSigned by: Guillermo Amador C3B62C77930F4BF... For Defendant
____________________	Guillermo Amador
(date)	6/18/2026 (date)
____________________	____________________
____________________ Counsel For Plaintiff	____________________ Counsel For Defendant
____________________	Jaimee K. Wellerstein, Esq.
(date)	June 18, 2026 (date)

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

Keyahn Pinkston v. Customized Guard Services & Systems
Superior Court of California, County of Los Angeles
Case No. 24STCV15096

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Customized Guard Services & Systems (hereinafter "CGSS") for alleged wage and hour violations. The Action was filed by a former CGSS employee Keyahn Pinkston ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of non-exempt hourly employees ("Class Members") who worked for CGSS during the Class Period (March 28, 2023 to December 30, 2025); and (2) penalties under the California Private Attorney General Act ("PAGA") for all non-exempt hourly employees who worked for Defendant during the PAGA Period (June 17, 2023 to December 30, 2025) ("Aggrieved Employees").

The proposed settlement has two main parts: (1) a class settlement requiring CGSS to fund individual class payments, and (2) a PAGA settlement requiring Defendant to fund individual PAGA payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendant's records, and the parties' current assumptions, **your individual class payment is estimated to be $______ (less withholding) and your individual PAGA payment is estimated to be $__________**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your individual PAGA payment, then according to CGSS's records you are not eligible for an individual PAGA payment under the settlement because you didn't work during the PAGA Period.)

The above estimates are based on CGSS's records showing that **you worked _____ workweeks** during the Class Period and **you worked ______ pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

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

CGSS will not retaliate against you for any actions you take with respect to the proposed settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an individual class payment and an individual PAGA payment (if any). In exchange, you will give up your right to assert the wage claims against CGSS that are covered by this settlement (defined below).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is _____________**	If you don't want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an individual class payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this notice. You cannot opt-out of the PAGA portion of the proposed settlement. CGSS must pay individual PAGA payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue the Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement **Written Objections Must be Submitted by _____________**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section VII of this notice.
You Can Participate in the _____________ Final Approval Hearing	The Court's final approval hearing is scheduled to take place on _____________. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by _____________**	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to CGSS's records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by ____________. See Section IV of this notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiff is a former CGSS employee. The Action accuses CGSS of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, sick pay, vacation pay and reimbursable expenses; failing to provide meal periods, rest breaks and accurate itemized wage statements; failing to keep required payroll records; and failing to produce requested records. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, *et seq*.). Plaintiff is represented by the attorneys of D.Law, Inc. in the Action ("Class Counsel").

CGSS strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far the Court has made no determination whether CGSS or Plaintiff is correct on the merits. In the meantime, Plaintiff and CGSS hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiff and CGSS have negotiated a proposed settlement that is subject to the Court's final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, CGSS does not admit any violations or concede the merit of any claims. Plaintiff and Class Counsel strongly believe the settlement is a good deal for you because they believe that: (1) CGSS has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

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

1. CGSS Will Pay $400,000 as the Gross Settlement Amount ("Gross Settlement"). CGSS has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the settlement. The Administrator will use the Gross Settlement to pay the individual class payments, individual PAGA payments, a class representative service payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Defendant shall begin making payments to the Settlement Administrator on April 15, 2026 or five (5) days after the Court grants preliminary approval, whichever is earlier. Defendant will make monthly payments of $16,666.67 for a period of twenty-four (24) months until the Gross Settlement Amount is fully funded. The payments will be placed in a Qualified Settlement Fund held in trust for the Class. Within 14 days after the Administrator determines that there are sufficient funds in the Qualified Settlement Fund to issue the Individual Class Payments, Individual PAGA Payments, and Class Representative Service Payment (which is estimated to be after 13 monthly payments), the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, and the Class Representative Service Payment.

2. Court Approved Deductions from Gross Settlement. At the final approval hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:

   A. Up to $133,333.33 (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and reimbursement of actual expenses incurred in the Action, which is currently estimated not to exceed $25,000.00. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   B. Up to $7,500 to Plaintiff as a class representative award for filing the Action, working with Class Counsel and representing the Class. A class representative award will be the only monies Plaintiff will receive other than Plaintiff's individual class payment and any individual PAGA payment.

   C. Up to $10,000.00 to the Administrator for services administering the settlement.

   D. Up to $40,000 for PAGA penalties, allocated 75% to the LWDA and 25% to individual PAGA payments to Aggrieved Employees based on their pay periods during the PAGA Period.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making individual class payments to Participating Class Members based on their Class Period workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and CGSS are asking the Court to approve an allocation of 20% of each individual class payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. CGSS will separately pay employer payroll taxes it owes on the Wage Portion. The individual PAGA payments are counted as penalties rather than wages for tax purposes. The Administrator will report the individual PAGA payments and the Non-Wage Portions of the individual class payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for individual class payments and individual PAGA payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than _____________, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed request for exclusion by the _____________ response deadline. The request for exclusion should be a letter from the Class Member or Class Member's representative setting forth the Class Member's name, present address, telephone number or email address, and a simple statement electing to be excluded from the settlement. Class Members who opt out will not receive individual class payments, but will preserve their rights to personally pursue the Released Class Claims against CGSS.

   You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert the Released PAGA Claims against CGSS.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. Plaintiff and CGSS have agreed that, in either case, the settlement will be void, CGSS will not pay any money (and/or have any money paid to the Administrator returned), and Class Members will not release any claims against CGSS.

8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to send this notice, calculate and make payments, and process Class Members' requests for exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the settlement. The Administrator's contact information is contained in Section IX of this notice.

9. Participating Class Members' Release. After the Judgment is final and CGSS has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the settlement. This means that unless you opted out by validly excluding yourself from the class settlement, you cannot sue, continue to sue or be part of any other lawsuit against CGSS or related entities for the Released Class Claims as defined below.

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

   > All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period, including claims for: failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked,

including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; failure to reimburse business expenses; and violation of Cal. Bus. & Prof. Cose section 17200 *et seq*. ("Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers' compensation or claims based on events occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and CGSS has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting certain PAGA claims against CGSS, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the class settlement, cannot sue, continue to sue or participate in any other PAGA claim against CGSS or its related entities based on the Released PAGA Claims as defined below.

    The Aggrieved Employees' Release is as follows:

    All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint and the PAGA Notice that are alleged to have occurred during the PAGA Period, including claims for PAGA Penalties based on: failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay for all time worked, including due to alleged off-the-clock; failure to pay wages at the correct regular rate of pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; failure to maintain records; failure to produce requested records; and failure to reimburse business expenses ("Released PAGA Claims").

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate individual class payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing $__________ by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

3. Workweek and Pay Period Challenges. The number of Workweeks and Pay Periods (if any) you worked during the Class Period and PAGA Period respectively, as recorded in CGSS's records, are stated in the first page of this notice. You have until ______________________ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

   You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept CGSS's calculation of Workweeks and Pay Periods based on CGSS's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and CGSS's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the individual class payment and the individual PAGA payment (if any).

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual PAGA payment check to every Aggrieved Employee who opts out of the class settlement.
   Your check will be sent to the same address as this notice. If you change your address, be sure to notify the Administrator as soon as possible. Section IX of this notice has the Administrator's contact information.

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number or email address and a simple statement that you do not want to participate in the settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as ____, and include your identifying information (full name, address, telephone number or email address). **You must send your request to be excluded to the Administrator by _________, or it will be invalid.** Section IX of the notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiff and CGSS are asking the Court to approve. At least 16 days before the __________________final approval hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a class representative service award. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website ____________(url)____________ or the Court's website (https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/os-access-court-documents).

A Participating Class Member who disagrees with any aspect of the settlement or the Motion for Final Approval may wish to object, for example, that the proposed settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is ________________.** Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action ________________and include your name, current address, telephone number or email address and approximate dates of employment for CGSS and sign the objection. Section IX of this notice has the Administrator's contact information.

A Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the final approval hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this notice (immediately below) for specifics regarding the final approval hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on _______________at _(time)_ in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the hearing, the judge will decide whether to grant final approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (https://www.lacourt.org/lacc/). Check the Court's website for the most current information.

It's possible the Court will reschedule the final approval hearing. You should check the Administrator's website ____________________________ beforehand or contact Class Counsel to verify the date and time of the final approval hearing.

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything CGSS and Plaintiff have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or any other settlement documents is to go to ___(specify entity)_ website at ________(url)________. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (http://www.lacourt.org/casesummary/ui/index.aspx) and entering the Case Number for the

Action, Case No. 24STCV15096. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

Class Counsel:
D.Law, Inc.
Roman Shkodnik
r.shkodnik@d.law
Emma Geesaman
e.geesaman@d.law
D.Law, Inc.
250 N. Madison Ave.
Pasadena, CA 91101
Telephone: (818) 962-6465

Settlement Administrator:
Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

XI. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

D.Law

880 E. Broadway
Glendale, CA 91205

(818) 962-6465
(818) 962-6469

June 17, 2024

VIA ON-LINE SUBMISSION ONLY TO:
https://dir.tfaforms.net/128 **(copy by certified mail to all Defendants)**

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Guillermo Amador Sr., Agent for Service
Customized Guard Services & Systems
19208 S Vermont Ave., Suite 200
Gardena, CA 90248
Certified Mail Tracking Number: 9414 8112 0620 4744 5933 92

Marilynn M Salomon, Agent for Service
United Facility Solutions, Inc.
1025 W 190th Street, Suite 165
Gardena, CA 90248
Certified Mail Tracking Number: 9414 8112 0620 4744 5977 03

Mark E. Myers, Agent for Service
Command Guard Services, Inc.
1025 W 190th Street, Suite 165
Gardena, CA 90248
Certified Mail Tracking Number: 9414 8112 0620 4744 5256 38

Re: Labor Code § 2698, *et seq*. Penalties – PAGA Notice Letter to the LWDA
Pinkston v. Customized Guard Services & Systems, et al.

Gentlepersons:

This office represents Plaintiff Keyahn Pinkston ("Plaintiff") and other similarly situated aggrieved non-exempt employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq*., 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq.* and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq*.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, Customized Guard

Services & Systems; United Facility Solutions, Inc.; Command Guest Services, Inc.; and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with a copy of Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being concurrently filed in Los Angeles County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked.

Additionally, Aggrieved Employees were not paid for the time that they worked "pre-shift" without compensation by locating the guard to be relieved prior to clocking in and "post-shift" by waiting to be relieved by other guards after clocking out. Moreover, Employees were not paid for the time spent answering work-related phone calls and text messages while off-the-clock. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Defendants would contact Plaintiff when she was needed at work. During this time, Plaintiff was under Defendant's control because she would then have to report to work. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay. Thus, Aggrieved Employees were required to work hours, under the control of Defendants, without wages.

Defendants also used a time-keeping system that allowed Aggrieved Employees to keep track of the hours they worked. However, Defendants failed to keep records of the start and end times of meal breaks. The time-keeping system merely asked Aggrieved Employees whether they took their meal breaks.

Because of the foregoing understatement of hours worked, Defendants also failed to pay Plaintiff and Aggrieved Employees proper overtime wages. Plaintiff and Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved

Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

Additionally, Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which sick pay and vacation pay were calculated and paid.

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods. Specifically, Plaintiff and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Also, what meal periods Plaintiff and Aggrieved Employees did take, were consistently interrupted, taken well after their fifth consecutive hour of work, and were on-duty due to Defendants' policy and practice requiring Aggrieved Employees to keep walkie talkies on during meal periods, all in violation of Labor Code and applicable Wage Orders. In addition, Defendants failed to keep records of the start and end times of meal breaks. The time-keeping system used by Defendants merely asked Aggrieved Employees whether they took their meal breaks. Similarly, Plaintiff and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work through their rest breaks which they were continuously denied. What rest breaks were taken were on-duty due to Defendants' policy and practice requiring Aggrieved Employees to keep walkie talkies on during rest breaks. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants had a common policy and practice of failing to reimburse Plaintiff and Aggrieved Employees for necessary business expenditures incurred in execution of their duties under Defendants' employ. Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage, vehicle mileage and fuel, and other required tools including a flashlight, chair, and gloves, which were necessary to perform their duties under Defendants' employ.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of Aggrieved Employees. The wage statements provided to Employees also failed to include the total hours worked in violation of Labor Code § 226(a)(2), accurate dates of the period for which Employees were paid in violation of Labor Code § 226(a)(6) and all applicable hourly rates in effect during the pay period in violation of Labor Code § 226(a)(9).The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to refer to outside sources to verify whether their pay was correct, potentially resulting in a miscalculation by the Aggrieved Employees. Moreover, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, and premium pay for deficiently provided meal periods and rest breaks as discussed above.

Moreover, Defendants failed to pay Plaintiff and Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages
Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Aggrieved Employees were not paid for the time that they worked "pre-shift" without compensation by locating the guard to be relieved prior to clocking in and "post-shift" without compensation by waiting to be relieved by other guards after clocking out. Aggrieved Employees also worked hours without compensation by answering phone calls and text messages from supervisors and coworkers while off-the-clock. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Defendants would contact Plaintiff when she was needed at work. During this time, Plaintiff was under Defendant's control because she would then have to report to work. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay. Accordingly, Plaintiff and Aggrieved Employees were required to work without pay. Thus, Plaintiff and Aggrieved Employees were required to work hours without wages. Additionally, Defendants did not pay Plaintiff and Aggrieved Employees at the applicable minimum wage for all hours worked. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Plaintiff and Aggrieved Employees. In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Plaintiff and Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above including the time they worked "pre-shift" without compensation by locating the guard to be relieved prior to clocking in and "post-shift" without compensation by waiting to be relieved by other guards after clocking out, answering phone calls and text messages from supervisors and coworkers while off-the-clock, when Employees were required to be on-call, and working during meal breaks caused Plaintiff and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees to overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders. Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Aggrieved Employees a reasonable protocol for correcting time records when Aggrieved Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Aggrieved Employees' detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Aggrieved Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Vacation Wages

Pursuant to California Labor Code § 227.3, whenever a contract of employment or employment policy provides for paid vacation and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with said contract of employment or policy respecting eligibility or time served. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which vacation wages were calculated and paid. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 227.3. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code § 227.3 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

<u>Failure to Comply with Labor Code §§ 245 *et seq.* and 246</u>

California Labor Code § 245 *et seq.* requires that Defendants provide paid sick time to Aggrieved Employees, including at the amount, terms, and rate of compensation set forth in said law. At times relevant, Defendants have failed to compute the amount due for paid sick time in conformance with the pay calculation under California Labor Code § 246(l). Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which sick pay was calculated and paid. Rather than calculating the amount of paid sick time due when sick time is used according to the requirements set forth in California Labor Code § 246(1), Defendants paid sick leave to Aggrieved Employees at a lower rate, in violation of the law. As a result of Defendants' conduct, Defendants have violated California Labor Code §§ 245 *et seq.* and 246. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 245 *et seq.* and 246. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code §§ 245 *et seq.* and 246 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code §§ 245 *et seq.*, 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

<u>Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties</u>

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with meal periods late and well after the fifth hour of work, could not be relieved to take their meal periods, or were required to remain on-duty at all times and were unable to take off-duty meal periods or were otherwise not provided with the opportunity to take required meal periods.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendants' control due to Defendants' policy and practice requiring Aggrieved Employees to keep walkie talkies on during meal periods, in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours, second meal periods were not provided. Defendants also failed to record the start and end times of meal breaks as the time keeping system utilized by Defendants merely asked Aggrieved Employees whether meal breaks were taken. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely, for shortened durations, or Aggrieved Employees were interrupted, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks by requiring Aggrieved Employees to keep walkie talkies on. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any rest period premiums when Defendants did attempt to pay them, resulting in further violations of section 226.7.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage, vehicle mileage and fuel, and other required tools including a flashlight, chair, and gloves, which were necessary to perform their duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work-related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees, by Defendants, failed to accurately account for wages, overtime, and premium pay for deficiently provided meal periods and rest breaks. The wage statements provided to Aggrieved Employees also failed to include the total hours worked in violation of Labor Code § 226(a)(2), accurate dates of the period for which Aggrieved Employees were paid in violation of Labor Code § 226(a)(6), and all applicable hourly rates in effect during the pay period in violation of Labor Code § 226(a)(9). Additionally, Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned. The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Aggrieved Employees.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. On at least one occasion, Plaintiff was paid for thirty days of work on one check issued at the end of that month. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, by unlawful rounding and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

<u>Failure to Keep Records In Accordance With Labor Code § 1174</u>
Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not properly recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq*. Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Produce Requested Employment Records Under Labor Code §§ 226 and 1198.5
Pursuant to Labor Code § 226, 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. The employer must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Similarly, under Labor Code § 1198.5, every current and former employee, or his/her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employee's performance or to any grievance concerning the employee. The employer must make these records available for inspection or provide a copy, not later than thirty (30) calendar days after receiving a written request.

Defendants violated Labor Code §§ 226 and 1198.5 by failing to provide Plaintiff with all of his requested employment records. Upon information and belief, this is consistent with Defendants' policy and practice that applied to Plaintiff and Aggrieved Employees.

Waiting Time Penalties Pursuant to Labor Code § 203
Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination or within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, *et seq.*
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 *et seq*.

Plaintiff's PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:
After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an

amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq*., 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.* and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure to Provide Paid Sick Days: For Defendants' failure to provide Employees with all their required and earned sick days in violation of Labor Code §§ 245 *et seq.* and 246 the civil and statutory penalties available and applicable under Labor Code §§ §§ 245 *et seq.* and 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) Failure to Pay Vacation Wages: For Defendants' failure to provide Employees with all their vacation days in violation of Labor Code § 227.3and seeking the civil and statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(h) Failure to Produce Requested Employment Records: For Defendants' failure to produce Employment Records in violation of Labor Code §§ 226 and 1198 and seeking the civil and statutory penalties available and applicable under Labor Code § 226, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1); and

(i) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Customized Guard Services & Systems, United Facility Solutions, Inc, Command Guest Services Inc, and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

David Yeremian

Cc: Customized Guard Services & Systems, United Facility Solutions, Inc., and Command Guest Services, Inc. by Certified Mail

EXHIBIT 3