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on behalf of himself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA – RENE C. DAVIDSON COURTHOUSE

ALEXANDER A. CHATMAN, JR., an
individual, on behalf of himself and others
similarly situated,

Plaintiff,

vs.

RJMS CORPORATION, a Delaware
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

CLASS ACTION

Case No.: 24CV081124

Assigned for All Purposes To:

Hon. Somnath Raj Chatterjee

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: September 22, 2026

Time: 2:30 p.m.

Dept.: 21

Reservation No.: 324541880630

**DECLARATION OF ENOCH J. KIM IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**

I, Enoch J. Kim, declare:

1. I am an attorney licensed to practice before all courts of the State of California. I am counsel for the Plaintiff Alexander A. Chatman Jr. and have personal knowledge of the facts herein. If called as a witness, I could and would competently testify thereto.

I. PROCEDURAL HISTORY

2. On June 24, 2024, Plaintiff commenced the Action by filing a class action complaint against RJMS Corporation ("Defendant") for various violations of the California Labor Code on an individual and class-wide basis. Plaintiff gave timely written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant that Plaintiff also intended to proceed with a representative action under the Private Attorneys General Act of 2004 ("PAGA"), (LWDA-CM-1036135-24). Plaintiff's PAGA notice is attached hereto as **Exhibit 2**.

3. On September 12, 2023, after the 65-day statutory period passed, Plaintiff filed a First Amended Complaint ("FAC"), adding a claim for civil penalties under PAGA, Labor Code §2698, *et seq.* The FAC includes the following causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime under Labor Code §510 (3) Failure to Provide all Meal Periods; (4) Failure to Authorize and Permit all Paid Rest Periods; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code §221; (7) Violation of Labor Code §204; (8) Violation of Labor Code §203 (9) Failure to Maintain Records Required under Labor Code §§1174 and 1174.5; (10) Failure to Reimburse Necessary Business Expenses (11) Unfair Business Practices; and (12) Penalties Under Labor Code § 2698. On November 11, 2024, Plaintiff filed a second amended complaint removing the cause of action under Labor Code §221 ("Operative Complaint").

4. Plaintiff contends, via the Operative Complaint, that Defendant violated California's wage and hour laws by failing to pay all wages due including all minimum wages, overtime wages, failing to provide all meal periods and rest periods, failing to all reimburse work expenses; failing to provide accurate itemized wage statements, failing to timely pay final wages

1 due during and upon separation of employment, and thereby also violating California Business &
2 Professions Code sections 17200, *et seq.*, and incurring penalties under PAGA. Defendant denies
3 that they engaged in any misconduct in connection with Defendant's wage-and-hour practices
4 and denies that they have any liability or engaged in wrongdoing of any kind associated with the
5 claims alleged in the Operative Complaint. Defendant further contends that they have complied
6 at all times with federal, state, and local wage-and-hour laws.

7 5. On January 30, 2026, the Parties participated in a mediation presided over by
8 respected wage and hour class action mediator Lonnie Giamela, Esq. and were able to reach an
9 agreement on general settlement terms. The Parties, recognizing the burdens and risks of
10 continuing with the litigation, entered into the Settlement Agreement to resolve all claims in the
11 Operative Complaint.

12 **II. THE SETTLEMENT**

13 6. To settle the action, Defendant will pay the Gross Settlement Amount of
14 \$650,000.00, exclusive of the employer's portion of payroll taxes and fees (i.e. Defendant will
15 pay the employer-side payroll taxes on the wages portion separately from the Gross Settlement
16 Amount). It shall be an opt-out class.

17 7. There is total of approximately 43,710 Workweeks worked by approximately 392
18 Class Members during the Class Period, resulting in a recovery of an estimated \$9.11 per
19 Workweek (estimated NSA of \$398,018.33 divided by 43,710 Workweeks). Each Class Member
20 will receive an average Individual Settlement Award of approximately \$1,015.35 (estimated
21 NSA of \$398,018.33 divided by 392 Class Members), with the highest estimated Individual
22 Settlement Award of approximately \$1,976.87 (total weeks in the Class Period (217) multiplied
23 by \$9.11). Additional proposed disbursements from the GSA are as follows:

24 Class Counsels' Fees	Up to \$216,666.67 (1/3 of the Gross Settlement Amount)
25	
26 Class Counsels' Litigation Expenses	Up to \$20,000
27 Administration Costs	Estimated to be up to \$7,750.00
28 Class Representative Service Award	Up to \$7,500 to Plaintiff Alexander

1		Chatman Jr.
2	PAGA Penalties	\$65,000 (\$42,250.00 to LWDA; \$22,750.00
3		to Aggrieved Employees)

4

5 8. As detailed in the Settlement Agreement, the Parties have selected Phoenix

6 Settlement Administrators (“Phoenix”) as the Administrator, an experienced class action

7 settlement administrator, to administer this Settlement. The Parties respectfully request that

8 this Court appoint Phoenix to handle the settlement administration process. To my

9 knowledge, none of the parties or attorneys involved in this action has ever had any

10 financial interest in or affiliation with the proposed Administrator.

11 9. Following preliminary approval, the Administrator will mail the Court

12 approved Notice of Class Action Settlement and Hearing Date for Final Court Approval,

13 with Spanish Translation (“Class Notice”) per the Settlement Agreement. The Parties

14 respectfully request that this Court approve the Class Notice to be disseminated to the Class

15 consistent with the manner and timing as set forth in this Memorandum and the Settlement

16 Agreement.

17 **III. SETTLEMENT DOCUMENTS**

18 10. The Parties have finalized the terms of the following documents. True and correct

19 copies of the following documents are attached hereto:

- 20 a. Class Action And PAGA Settlement Agreement attached hereto as
- 21 **Exhibit 1;**
- 22 b. Class Notice attached to the Settlement Agreement (Exhibit 1 herein) as
- 23 **Exhibit A;** and
- 24 c. [Proposed] Order Granting Plaintiff’s Motion for Preliminary Approval of
- 25 Class Action and PAGA Settlement, filed herewith.

26 **IV. CONDITIONAL CERTIFICATION OF THE CLASS FOR SETTLEMENT**

27 **PURPOSES**

28 11. The Class definition is sufficiently specific to enable the Court to identify the

1 Class Members, all of whom have indeed been identified by Defendant's employment and
2 payroll records. The Settlement proposes the following Class: "all persons employed by
3 Defendant in California and classified as a non-exempt hourly employee who worked for
4 Defendant during the Class Period." The Class Period is February 3, 2022 to March 31, 2026.
5 There are approximately 392 Class Members, which is sufficient to satisfy numerosity
6 requirements. The evidence to support the claims as to the Class consists of Defendant's policies,
7 payroll records, time records and the forms of wage statements given to Defendant's non-exempt
8 employees.

9 12. The proposed Class Representative worked for Defendant as a non-exempt
10 employee under Defendant's uniform employment policies applicable all persons employed by
11 Defendant in California during the Class Period (defined above). Plaintiff asserts that these are
12 all policy questions that are uniform and can be proven by common objective evidence. The
13 evidence to support these claims on a class wide basis consists of Defendant's policies, payroll
14 records, time records and the forms of wage statements given to Defendant's non-exempt
15 employees. The Class Representative was subject to the same policies as other Class Members.

16 13. Plaintiff's claims are typical of those of other Class Members. The Class
17 Representative have agreed to act as such and understands their responsibilities. The Class
18 Representative has no claims or other interests that are antagonistic to the Class.

19 **V. PRELIMINARY APPROVAL OF THE SETTLEMENT**

20 14. The Settlement for each participating Class Member is fair, reasonable, and
21 adequate given the inherent risk of litigation, the risk relative to trial, and the costs of litigation.
22 The Settlement represents a fair and reasonable value for the release of claims encompassed by
23 the Settlement. Finally, the only governmental involvement in this case is the existence of a
24 PAGA claim, and Plaintiff has notified the LWDA of this Settlement. (Ex. 3.) The Settlement
25 Amount balanced against the merits of the Plaintiff's case is reasonable.

26 15. Here, the Settlement was reached through arm's-length negotiation with an
27 experienced, highly regarded neutral mediator, Lonnie Giamela, Esq. In advance of mediation,
28 Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the

1 Action. Plaintiff's counsel provided Defendant's counsel with a comprehensive listing of
2 informal discovery items required to have a constructive mediation. Defendant provided
3 timekeeping and payroll records for the Class. Prior to mediation, Plaintiff therefore obtained
4 and analyzed the production of payroll data for Class Members and the necessary policy
5 documents through informal discovery to properly evaluate the strengths of the claims and
6 engage in meaningful settlement discussions. Plaintiff hired an expert, Berger Consulting Group
7 – Economic Data Analysts, to assist with exposure analysis for the mediation.

8 16. The Settlement here provides pro rata distribution to Class Members based upon
9 the number of Workweeks worked during the Class Period. Accordingly, the Settlement treats
10 the Class Members equitably, and the proposed distribution plan supports preliminary approval.

11 17. The Settlement that has been reached, subject to this Court's approval, is the
12 product of tremendous effort and a great deal of expense by the Parties and their Counsel. Class
13 Counsel are knowledgeable about and have done extensive research with respect to the
14 applicable law and potential defenses to the claims of the Class Members. The Parties
15 investigated relevant law as applied to the facts of the case, potential defenses, and damages
16 claimed by Plaintiff on behalf of himself, the Class, and the Aggrieved Employees.

17 18. Based on the documents and information provided by Defendant and their own
18 independent investigation and evaluation, Class Counsel and Plaintiff are of the opinion that the
19 Settlement with Defendant for the consideration and on the terms set forth in this Settlement is
20 fair, reasonable, and adequate, and is in the best interest of the Class Members in light of all
21 known facts and circumstances, including the risk of significant delay and uncertainty associated
22 with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

23 19. The Gross Settlement Amount is, of course, a compromise figure. Plaintiff
24 considered the risks of decertification, the risks related to proof of Plaintiff's claims, and the
25 strengths and weaknesses of Defendant's defenses. Plaintiff also considered the possibility that if
26 a settlement were reached after additional years of litigation, the great expenses of litigation
27 would reduce the amount of funds available to Class Members for settlement. Furthermore,
28 Plaintiff took into consideration the time delay and financial repercussions of liability trials,

1 numerous damages trials, and the possibility of an appeal by Defendant. The details for the
2 reasonably expected recovery per claim are detailed below in the following paragraphs.

3 **20. Failure to Pay All Wages Due for Off-the-Clock Work**

4 *a. Facts*

5 Plaintiff alleged that Plaintiff and Class Members performed work while under
6 Defendant's control without compensation. For example, if Class Members had to stay late after
7 the end of their scheduled shift, Plaintiff alleged that they would not receive compensation for
8 that time worked.

9 *b. Law*

10 Labor Code §§ 510 and 1194 require employers to pay applicable wages for all hours
11 worked. "Hours worked" means the time during which an employee is subject to the control of
12 an employer and includes all the time during which the employee is suffered or permitted to
13 work, whether or not required to do so." (8 C.C.R. §11040(2)(K); *Morillion v. Royal Packing*
14 *Co.* (2000) 22 Cal.4th 575, 582.)

15 *c. Expected Recovery*

16 Plaintiff's expert estimated the maximum exposure for this claim as \$1,602,934
17 (assuming ten (10) minutes of off-the-clock work per shift and 92.9% attributed to overtime
18 hours). Defendant contended that Class Members were required to report all hours worked, that
19 Defendant paid Class Members for all hours worked, and that any off-the-clock work was
20 performed without Defendant's knowledge and de minimis. Defendant further contended that
21 proof of this claim would depend largely on anecdotal evidence such as Class Member testimony
22 as there are not records of time worked off-the-clock, and ultimately this claim may be
23 determined to be too individualized for purposes of class certification. Accordingly, Plaintiff
24 applied a discount of 90% to get an adjusted realistic exposure of **\$160,293.40**.

25 **21. Failure to Pay Overtime Wages at the Legal Overtime Pay Rate**

26 *a. Facts*

27 Plaintiff alleged that Defendant provided Class Members with nondiscretionary
28 payments, including bonuses; however, Defendant failed to correctly consider these additional

1 payments in the computation of the regular rate of pay to determine the legal overtime pay for
2 Class Members.

3 *b. Law*

4 “[A]n employee’s ‘regular rate of pay’ for purposes of Labor Code section 510 and the
5 IWC wage orders is not the same as the employee’s straight time rate (i.e., his or her normal
6 hourly wage rate).” (*Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542, 554.)
7 Instead, the regular rate of pay must include “adjustments to the straight time rate, reflecting,
8 among other things, shift differentials and the per-hour value of any non-hourly compensation
9 the employee has earned,” such as incentive pay. (*Ibid.*) Earned bonuses must be included in the
10 calculation of the regular rate of pay. (*Marin v. Costco Wholesale Corp.* (2008) 169 Cal.App.4th
11 804, 807 [holding that bonus must be included in overtime rate calculation]; 29 U.S.C. § 207(e)
12 [regular rate includes “all remuneration for employment paid to, or on behalf of, the
13 employee”].)

14 Labor Code § 226.7 and the wage order require employers to pay non-exempt employees
15 an additional hour of premium wages at the employee’s regular rate of compensation on each
16 workday that the employee is not provided with a meal break. The regular rate must include all
17 remuneration in its calculation, including nondiscretionary bonuses. (*Ferra v. Loews Hollywood*
18 *Hotel, LLC* (2021) 11 Cal.5th 858, 863.)

19 *c. Expected Recovery*

20 Based on the data provided by Defendant, Plaintiff’s expert estimated approximately
21 \$5,984.00 in underpaid overtime wages and \$271.00 in underpaid meal premiums and
22 \$10,247.00 sick leave, for a total of \$16,502.00. However, Defendant contended that not all
23 Class Members received other forms of remuneration, and to the extent that they did, they were
24 discretionary, thus not required to be included in the regular rate of pay. Plaintiff therefore
25 applied a discount of 50% to get a realistic exposure of **\$8,251.00**.

26 **22. Failure to Provide All Meal Periods:**

27 *a. Facts*

28 Plaintiff alleged that Defendant failed to provide all off-duty and uninterrupted, timely

1 meal periods of at least 30 minutes of uninterrupted time. Moreover, Plaintiff alleged that even
2 when Class Members were provided meal periods, work demands frequently interrupted these
3 breaks. Plaintiff also alleged that Defendant required Class Members to respond to work-related
4 calls during meal breaks.

5 *b. Law*

6 Employers must generally provide “a first meal period [of at least 30 minutes] no later
7 than the end of an employee's fifth hour of work, and a second meal period [of at least 30
8 minutes] no later than the end of an employee's 10th hour of work.” (*Brinker v. Superior Court*
9 (2012) 53 Cal.4th 1004, 1041.)

10 Time records showing noncompliant meal periods raise a rebuttable presumption of meal
11 period violations. (*Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 74.) “If an employer’s
12 records show no meal period for a given shift over five hours, a rebuttable presumption arises
13 that the employee was not relieved of duty, and no meal period was provided.” (*Id.* at p. 74.) To
14 the extent the employer asserts that “the employee waived the opportunity to have a work-free
15 break,” the “burden is on the employer, as the party asserting waiver, to plead and prove it.”
16 (*Ibid.*) Under the *Donohue* presumption, a plaintiff seeking certification satisfies his burden to
17 establish commonality and predominance on a meal period claim by presenting class member
18 time records reflecting presumptive meal period violations. (*Estrada v. Royalty Carpet Mills,*
19 *Inc.* (2022) 76 Cal.App.5th 685, 720.)

20 *c. Expected Recovery*

21 Plaintiff’s expert estimated that Class Members’ maximum recovery was approximately
22 \$246,438.29 for unique meal period violations, including an offset for meal premiums in the
23 amount of \$60,340.96 paid by Defendant, resulting in approximately \$186,097.33 of unpaid
24 premiums owed for this claim.

25 Defendant contended that employees were provided with the opportunity to take all meal
26 periods, and if they did not do so, it was purely voluntary. Defendant argued that under
27 California law, employers do not have a duty to ensure that employees take all meal periods, so
28 long as they provide meal periods and do not inhibit employees from taking all compliant meal

1 periods. Further, Defendant contended that it paid meal period premiums when Class Members
2 did not receive compliant meal periods. Accordingly, Plaintiff applied a discount of 50% to get
3 an adjusted realistic exposure of \$93,048.66.

4 **23. Failure to Authorize All Rest Periods:**

5 *a. Facts*

6 Plaintiff alleged Defendant failed to authorize and permit paid rest periods for Plaintiff
7 and the Class Members. For example, Plaintiff alleged that Defendant required Class Members
8 to perform work-related tasks and respond to work-related requests during rest periods.

9 *b. Law*

10 “Employees are entitled to 10 minutes’ rest for shifts from three and one-half to six
11 hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts
12 of more than 10 hours up to 14 hours, and so on.” (*Brinker Restaurant Corp. v. Superior Court*
13 (2012) 53 Cal.4th 1004, 1029.) “Employees are entitled to 10 minutes’ rest for shifts from three
14 and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours,
15 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.” (*Brinker Restaurant*
16 *Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1029.) The applicable wage order imposes a
17 similar obligation, and states that rest breaks must occur in the middle of each work period,
18 insofar as is practicable. (8 C.C.R. §11050(12).)

19 *c. Expected Recovery*

20 Plaintiff’s expert estimated the maximum exposure as damages analysis assumed a 100%
21 violation rate on shifts of 3.5 or more hours for an estimated maximum recovery is
22 approximately \$6,569,922.00 (assuming a 100% violation rate). Defendant contended that Class
23 Members were permitted all required breaks and were not discouraged or prevented from taking
24 their rest breaks and that any deviation was at the voluntary election of Class Members. Because
25 no records reflect whether the Class Members took rest breaks, Defendant also contended that
26 proof of this claim would depend largely on anecdotal evidence such as Class Member testimony
27 and ultimately this claim may be determined to be too individualized for purposes of class
28 certification. As such, Plaintiff applied a discount of 95% to get an adjusted realistic exposure for

1 this claim of **\$328,496.10.**

2 **24. Failure to Reimburse All Business Expenses:**

3 *a. Facts*

4 Plaintiff alleged that Plaintiff and other Class Members were required to use their
5 personal cell phones for work-related duties, but Defendant failed to reimburse them for the use
6 of personal cell phones for work.

7 *b. Law*

8 Labor Code § 2802 states that “[a]n employer shall indemnify his or her employee for all
9 necessary expenditures or losses incurred by the employee in direct consequence of the discharge
10 of his or her duties.” This section “is designed to prevent employers from passing their operating
11 expenses on to their employees.” (*Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554,
12 562.)

13 If the use of the personal phone is mandatory, then reimbursement is always required,
14 regardless of whether the employee would have incurred phone expenses absent the job.
15 (*Cochran, supra*, 228 Cal.App.4th at p. 1144 [“Otherwise, the employer would receive a
16 windfall because it would be passing its operating expenses on to the employee.”].) To comply
17 with section 2802, “the employer must pay some reasonable percentage of the employee’s cell
18 phone bill.” (*Id.* at p. 1140.)

19 *c. Expected Recovery*

20 Plaintiff’s expert assumed \$50.00 of unreimbursed expenses per putative class member
21 during the Class period for an estimated \$19,600.00 of expense reimbursement owed. Defendant
22 contended the use of personal cell phones was not required for work-related duties, was purely
23 voluntary, and thus not subject to liability under Labor Code section 2802. Plaintiff considered
24 the need to rely on anecdotal evidence and the potential for individualized evidence to prove this
25 claim. Thus, Plaintiff applied a discount of 90% to get an adjusted realistic exposure of
26 **\$1,960.00** in unpaid expense reimbursements.

27 **25. Failure To Provide Compliant Wage Statements:**

28 *a. Facts*

1 Plaintiff alleged that Defendant issued inaccurate wage statements to Class Members
2 because the wage statements did not accurately include all requisite information, including the
3 hourly rates and wages owed to Class Members.

4 *b. Law*

5 Labor Code § 226(a) requires every employer, semimonthly or at the time of each
6 payment of wages, to furnish each of its employees an accurate itemized statement in writing
7 showing, among other things, total hours worked by the employee, all applicable hourly rates in
8 effect during each pay period and the corresponding number of hours worked at each hourly rate.
9 The only triable issue of this claim is whether the violation of § 226 was knowing and
10 intentional, which can be established by demonstrating that Defendant was “aware of the factual
11 predicate underlying the violation[s].” (*Novoa v. Charter Commc’ns, LLC* (E.D. Cal. 2015), 100
12 F.Supp.3d 1013, 1028.)

13 *c. Expected Recovery*

14 Plaintiff’s expert estimated that the maximum recovery for this claim was approximately
15 \$1,023,150.00. Defendant contended that this claim was merely derivative of the primary wage
16 claims in this case and would fail for the same reasons. Defendant further contended that
17 Plaintiff would be unable to prove that any violations were intentional. Based on these risks,
18 Plaintiff applied a discount of 80% to get an adjusted realistic exposure of **\$204,630.00**.

19 **26. Failure to Pay all Wages Due Upon Separation – Labor Code § 203:**

20 *a. Facts*

21 Plaintiff alleged that Defendant violated Labor Code § 203 claim by not paying all wages
22 and penalties owed to Class Members at the time of termination of their employment.

23 *b. Law*

24 Under Labor Code § 203, the employees who are no longer employed by Defendant are
25 entitled to 30 days of waiting time penalties because Defendant did not pay them all wages due
26 and/or related penalties upon separation.

27 *c. Expected Recovery*

28 Plaintiff’s expert estimated the maximum exposure of this claim as \$1,786,785.00.

Defendant contended that this claim was merely derivative of the primary wage claims in this case and would fail for the same reasons. Defendant further contended that Plaintiff would be unable to prove that any violations were intentional. As such, Plaintiff applied a discount of 90% to get an adjusted realistic exposure of **\$178,678.50**.

27. **Business & Professions Code § 17200, et seq.**: Regarding the claim for violations of Business & Professions Code section 17200, *et. seq.*, the forgoing analysis assumes the longer four-year statute of limitations that is available under the UCL for the unpaid wage and break violations. This cause of action is derivative of the other claims that have already been analyzed. Accordingly, the damages available under this cause of action have already been analyzed or are duplicative of damages discussed above.

28. **PAGA Penalties – Labor Code § 2698**: Regarding the claim for violations of the PAGA, Plaintiff calculated the maximum potential exposure as \$1,477,400.00 (14,774 PAGA pay periods x \$100). The strength of the PAGA claim would be impacted by the factors discussed above for the non-PAGA underlying claims. Based on recent PAGA decisions, even if Plaintiff were successful on this claim through trial, the Court would likely exercise its discretion under PAGA and significantly reduce the penalties. Thus, the maximum PAGA penalties of \$1,477,400.00 was discounted by 90% for a realistic exposure of a total of **\$144,740.00** in PAGA penalties.

29. The Parties believe and agree that the Settlement provides for a fair, adequate, and reasonable resolution of the representative PAGA claim and is to the advantage of the State and the Aggrieved Employees when considering the time and expense necessary to complete protracted litigation which, regardless of the verdict, would undoubtedly be subject to further significant delay and expense pending possible appeals. Moreover, the Settlement provides a substantial sum to the State and a proportional sum to each PAGA Member on a pro-rata basis based on the number of PAGA Pay Periods they worked during the PAGA Period (defined as the period from June 24, 2023 through March 31, 2026.)

30. The Gross Settlement Amount of \$650,000.00 represents approximately 58% of the total realistic exposure of \$1,120,097.66, which is an exceptional result.

1 31. After analyzing and weighing the evidence discussed above as well as the legal
2 issues, Class Counsel and Plaintiff concluded that the settlement of \$650,000.00 represents a fair
3 and reasonable discount from the realistic recovery. The Settlement will allow the parties to
4 avoid the expense and time commitments of continued litigation and provides a significant
5 benefit for the Class which would not otherwise have been available.

6 **VI. THE NOTICE PROCEDURE SHOULD BE APPROVED.**

7 32. The Class Notice provides proper notice to the Class of the terms of the
8 Settlement Agreement and the options available to the Class, including the ability of the
9 Class Members to Opt-Out or submit a Request for Exclusion from the non-PAGA portion
10 of the Settlement and not be bound by the non-PAGA portion of the Settlement Agreement
11 or receive any Individual Class Payment under it; to object to the terms of the Settlement; or
12 to do nothing and receive a Settlement Payment and be bound by the terms of the
13 Settlement; the date of the Final Approval Hearing, and how to obtain further information
14 through Class Counsel, the Administrator's website, or the Court's docket. The Class Notice
15 will be sent via first-class mail to each of the approximately 392 Class Members at their
16 addresses from Defendant's records. The Class Notice will also be translated into Spanish
17 per the Parties Settlement Agreement.

18 33. Class Members will receive separate checks for their Individual Class
19 Payment and Individual PAGA Payment, respectively.

20 34. The Class Notice should be approved as the best and most practicable way to
21 ensure the greatest possible number of Class Members will receive notice. Plaintiff
22 respectfully requests that this Court approve the Class Notice to be disseminated to the Class
23 consistent with the manner and timing as set forth the Settlement Agreement.

24 **VII. ATTORNEYS' EXPERIENCE**

25 35. D.Law (formerly known as Davtayan Law Firm) prosecutes wage and hour cases,
26 including class actions and PAGA actions on behalf of employees and others who have had their
27 rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs'
28 counsel of record in numerous wage and hour and employment class action and PAGA action

1 cases pending in both state and federal court.

2 36. D.Law is well-qualified and has ample experience, knowledge, and resources to act
3 as counsel and represent Plaintiffs and the putative Class and aggrieved employees in this action.
4 Our practice is exclusively focused on employment matters and representing plaintiffs in wage and
5 hour actions with the same or similar causes of actions brought forth in the matter pending before
6 this Court.

7 37. D.Law has litigated and successfully resolved many wage and hour class action
8 cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De
9 La Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787),
10 Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of
11 California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of
12 California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in
13 Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-
14 cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los
15 Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles,
16 BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
17 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
18 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
19 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
20 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et
21 al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real
22 Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445),
23 Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836),
24 Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK),
25 Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO),
26 Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA),
27 Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v.
28 The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v.

1 PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra
2 Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior
3 Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare
4 California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v.
5 Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v.
6 ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC
7 Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford
8 v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles,
9 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-
10 18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307),
11 Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687),
12 Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County,
13 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home
14 (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries,
15 Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6
16 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF
17 Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868),
18 Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693),
19 Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-
20 CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda,
21 HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa
22 Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in
23 San Bernardino, CIVDS1915743), Virdi v. Absolute Security International (Superior Court of
24 California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of
25 California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid
26 Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC),
27 among others.

28 38. I was admitted to the California Bar in December 2008, and I am Senior Counsel

1 at D.Law. I received my J.D. from Pepperdine University School of Law and B.S. from the
2 University of Southern California. Since graduating from law school, I have dedicated virtually
3 my entire career on the practice of employment law. I have practiced employment law from the
4 Plaintiffs' side, from the defense side, and from an in-house position. I have significant
5 experience specifically working on wage and hour class actions from the Plaintiffs' side as well
6 as the defense side, with the majority of my experience coming from the Plaintiffs' side.

7 39. Attorney Natalie Haritonian is Senior Counsel at D.Law and counsel of record
8 for Plaintiffs. Ms. Haritonian received her Bachelor of Arts in political science from the
9 University of California, Los Angeles, in 2014, and then earned her Juris Doctorate from the
10 University of Southern California, Gould School of Law in 2018. Upon graduating from law
11 school, Ms. Haritonian has exclusively focused her practice on representing employees,
12 including in wage and-hour class actions. During her career, Ms. Haritonian has represented
13 employees in wage and-hour class action lawsuits as lead or co-lead counsel, and has also
14 obtained six and seven figure settlements against a range of Defendant.

15 40. Attorney Matthew Carraher earned his bachelor's degree from Loyola
16 Marymount University and his Juris Doctorate from Loyola Law School. He was admitted to the
17 California Bar in December 2022 and has devoted the majority of his legal career to the practice
18 of employment law. He has been appointed as class counsel for class and representative action
19 settlements in California state court involving the gamut of wage-and-hour claims, including
20 claims for failure to pay minimum wages, unpaid wages and overtime, inaccurate pay statements,
21 failure to pay timely wages, and failure to reimburse necessary business expenses - similar to
22 claims at issue in the present matter.

23 41. Associate Attorney Andrea Amaya Silva received her Bachelor of Arts in
24 Sociology from San Diego State University, in 2017. Ms. Amaya Silva then earned her Juris
25 Doctorate from Western School of Law in April of 2021. Since graduating law school, she has
26 devoted her practice to representing employees in all aspects of California state and federal labor
27 and employment litigation, including complex class actions, and representative actions in wage
28 and hour claims.

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

12 43. We understand the responsibilities owed as counsel to the Settlement Class
13 Members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated
14 the claims asserted in this action and have remained committed to dedicating the resources
15 necessary to represent the Class and vigorously pursue their claims. Based upon my experience and
16 understanding of the claims and defenses in this action, I believe the settlement is fair, adequate,
17 and reasonable for the Class Members and aggrieved employees and all involved, and that the
18 Settlement is well within the range of reasonableness that would permit it to be finally approved. I
19 am not aware of any conflict of interest with Plaintiff or any other Class Member that would
20 interfere with the duties as Class Counsel.

21 **VIII. THE STIPULATED AWARD OF ATTORNEYS' FEES AND COSTS**

22 44. Under the Settlement, Class Counsel will request, without opposition from
23 Defendant, an award of Attorneys' Fees and Costs of \$216,666.67, one-third of the Gross
24 Settlement Amount, and actual reasonable litigation costs incurred for reimbursement of actual
25 reasonable litigation costs, not to exceed \$20,000.00. This request is fair, reasonable, and adequate
26 to compensate Class Counsel for the substantial work they have put into this case and, moreover,
27 the risk they assumed by taking it in the first place. The attorneys' fees award is intended to
28 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. At the time of filing the Motion for Final Approval of Settlement and Attorneys' Fees and Costs, Plaintiff will submit detailed time records and invoices supporting the request for attorneys' fees and litigation costs.

IX. THE CLASS REPRESENTATIVE SERVICE AWARD

45. The Settlement provides for a Class Representative Service Award of \$7,500.00 to Plaintiff, for his service in litigating the action. Plaintiff has devoted substantial time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Plaintiff has provided Class Counsel with information about Defendant, reviewed documents, consulted Class Counsel throughout the litigation, participated in the mediation process, and reviewed and signed the settlement agreement. Plaintiff has spent a significant amount of time with Class Counsel detailing his knowledge of Defendant's practices. Plaintiff has diligently, adequately, and fairly represented the Class Members, and has not placed his interests above any member of the putative Class. This sort of payment to a class representative has been a common feature of settlements negotiated by Class Counsel and routinely approved by courts. The Class Representative Service Award of \$7,500.00 is fair and reasonable in light of the service provided by Plaintiff to the Class and the results achieved.

X. THE PRESENCE OF A GOVERNMENTAL PARTICIPANT

46. Class Counsel will be submitting the Settlement Agreement to the Labor and Workforce Development Agency (LWDA) concurrently with the filing of this motion pursuant to Labor Code § 2699(1)(2). On the date of the date of filing the Motion for Preliminary Approval, Plaintiff submitted the Motion to the LWDA. Attached hereto as **Exhibit 4** is the LWDA confirmation.

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1 I declare under penalty of perjury under the laws of the State of California and the United
2 States of America that the foregoing is true and correct.

3 Executed on August 26, 2026, in Pasadena, California.

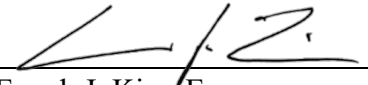
4
5 
6 Enoch J. Kim, Esq.

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 Alexander A. Chatman, Jr. (“Plaintiff”) and defendant RJMS Corporation (“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 *Alexander A. Chatman Jr. v. RJMS Corporation* initiated on June 24, 2024 and pending in Superior Court of the State of California, County of Alameda, Case No. 24CV081124.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt, hourly employee who worked for Defendant during the PAGA Period.
- 1.5 “Class” means all persons employed by Defendant in California and classified as a non-exempt, hourly employee who worked for Defendant during the Class Period.
- 1.6 “Class Counsel” means Natalie Haritoonian, Andrea Amaya, Enoch J. Kim, and Matthew Carraher of 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/Tax Identification Number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation, if applicable 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 February 3, 2022 to March 31, 2026.
- 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 Alameda.
- 1.16 “Defendant” means named Defendant RJMS Corporation.
- 1.17 “Defense Counsel” means Jon Babione and Adam Arce of Ferber Law, A Professional Corporation.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.22 “Gross Settlement Amount” means \$650,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 3 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.
- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from June 24, 2023 through March 31, 2026.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33 “PAGA Notice” means Plaintiff’s June 24, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$22,750.00) and the 65% to LWDA (\$42,250.00) in settlement of PAGA claims.

- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means Alexander A. Chatman, Jr., the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

- 2.1 On June 24, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for failing to pay minimum wages, overtime wages, failing to provide meal periods, failing to provide rest periods, failing to provide accurate itemized wage statements, Failure to comply with Labor Code §221, failing to timely provide wages including wages due upon termination, failing to maintain accurate records, and failing to provide reimbursable expenses and violation of the Business and Professions

Code under §17200.. On September 12, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for civil penalties under the Private Attorney's General Act of 2004. 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 the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.3 On January 30, 2026, the Parties participated in an all-day mediation presided over by Lonnie Giamela which led to this Agreement to settle the Action. The Parties then drafted and executed a Memorandum of Understanding which distilled the agreement into a short-form writing.

2.4 Prior to mediation, Plaintiff obtained, through formal and informal discovery, time and wage records for the putative class, relevant policies and class demographic data. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

2.5 The Court has not granted class certification.

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$650,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to 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:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative 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 Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$216,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion 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 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.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$7,750.00 except for a showing of good cause and as approved by the Court.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
 - 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members

assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$65,000.00 to be paid from the Gross Settlement Amount, with 65% (\$42,250.00) allocated to the LWDA PAGA Payment and 35% (\$22,750.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties \$22,750.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 392 Class Members who collectively worked a total of 43,710 Workweeks, and 135 of Aggrieved Employees who worked a total 14,774 of PAGA Pay Periods.

4.2 Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. 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 fund the Gross Settlement Amount by making three (3) installment payments to the Settlement Administrator plus the employer share of payroll taxes due on the Wage Portion of the Individual Class Payments. The first installment payment in the amount of \$325,000.00 shall be due within fourteen (14) days of the Effective Date or by January 1, 2027, whichever is later. The second installment payment in the amount of \$162,500.00 shall be due within six (6) months after the first installment payment is made. The third installment payment in the amount of \$162,500.00 shall be due within six (6) months after the second installment payment is made.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant makes the second installment payment towards the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments and all Individual PAGA Payments (and the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and the LWDA PAGA Payment in that order if there are sufficient funds remaining after the Individual Class Payments and Individual PAGA Payments are made). Within 14 days after Defendant makes the third installment payment towards the Gross Settlement Amount, the Administrator will mail checks (to the extent not already paid after the second installment payment) for the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.
- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 120 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained

through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid at Work, the cy pres recipient agreed upon by the Parties, subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 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 (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 Payments, Plaintiff and Class Members will release claims against all Released Parties as follows:

5.1 **Plaintiff's Release.** Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 6.2, below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the

release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including: (a) failure to pay minimum wages, overtime wages, double time wages, and failure to pay other wages of any kind during employment; (b) failure to provide meal periods, and/or timely meal periods, and/or meal premiums; (c) failure to provide rest periods, and/or timely rest periods, and/or rest premiums; (d) failure to provide accurate itemized wage statements; (e) failure to comply with Labor Code §221; (f) failure to timely pay wages during employment and upon termination; (g) failure to maintain accurate records; (h) failure to reimburse or indemnify business expenses; (i) violations of Business & Professions Code § 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, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Plaintiff and the LWDA: Plaintiff, on behalf of the LWDA, releases the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Notice, including: (a) failure to pay minimum wages, overtime wages, double time wages, and failure to pay other wages of any kind during employment; (b) failure to provide meal periods, and/or timely meal periods, and/or meal premiums; (c) failure to provide rest periods, and/or timely rest periods, and/or rest premiums; (d) failure to provide accurate itemized wage statements; (e) failure to comply with Labor Code §221; (f) failure to timely pay wages during employment and upon termination; (g) failure to maintain accurate records; and (h) failure to reimburse or indemnify 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 and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of

insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and 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; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4 Notice to Class Members.

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

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

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

7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, 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 (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members

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

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, 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; (c) copies of all Requests for Exclusion from Settlement 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 and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide 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 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or Pay periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 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 from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 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, as of the date of this Settlement Agreement, (1) there are 392 Class Members and 43,710 Total Workweeks during the Class period and (2) there are 135 Aggrieved Employees and 14,774 Pay Periods during the PAGA Period. If the Total Workweeks in the Class Period increases by more than 10% (e.g. 48,081 Workweeks), then the GSA will be increased proportionally by the number of workweeks worked in excess of 10% (e.g. If the total number of workweeks increases by 15% over 43,710 workweeks, the GSA will increase by 5%). Alternatively, Defendant may elect to modify the end date of the Class Period to the date immediately before the Workweeks increases by 10% (e.g. exceeds 48,081 workweeks). The Parties agree that if the GSA is increased pursuant to the escalator provision, the portion of the GSA allocated to attorneys' fees will also increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by the provision is implemented.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If Class Members who represent an aggregate total of 15% of the verified Workweeks opt out of the settlement, 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, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
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 of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 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 prior to 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 and/or Administrator 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 and/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 reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
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 and a proposed amended judgment.
12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or 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 grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and 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 Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them have not, and will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify 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, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 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 and 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 internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during 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 Cal. Evid. Code §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 in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, 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 reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 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.

Natalie Haritoonian

n.haritoonian@d.law

Enoch J. Kim

e.kim@d.law

Matthew Carraher

m.carraher@d.law

Andrea Amaya

a.amaya@d.law

250 N. Madison Ave. Second Floor

Pasadena, CA 91101

Telephone: (818) 962-6465

To Defendant:

MICHELLE FINKEL FERBER, #149929

mferber@ferberlaw.com
JONATHAN R. BABIONE, #270053
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ADAM NATHANIEL ARCE, #328732
aarce@ferberlaw.com
FERBER LAW, A Professional Corporation
2603 Camino Ramon, Suite 385
San Ramon, California 94583
Phone: (925) 355-9800

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 CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

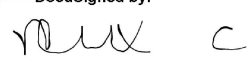
Dated: 7/27/2026, 2026

RJMS Corporation

Signed by:

020008DF3F0B42E...
By: Stephen Andres
Its: Executive Vice President and authorized representative

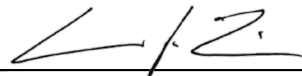
Dated: 07/27, 2026

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Alexander A. Chatman Jr.

AGREED AS TO FORM

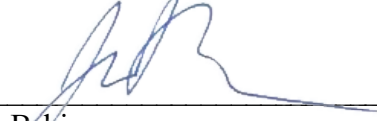
Dated: July 27, 2026

D.LAW, INC.


Natalie Haritoonian
Andrea A. Amaya
Matthew Carraher
Enoch J. Kim

Dated: July 27, 2026

FERBER LAW, A PROFESSIONAL CORPORATION



Jon Babione
Adam Arce

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

ALEXANDER A. CHATMAN JR. v. RJMS CORPORATION

Superior Court of the State of California, County of Alameda

Case No. 24CV081124

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 RJMS Corporation (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employee, Alexander A. Chatman, Jr. (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of non-exempt, hourly employees (“Class Members”) who worked for Defendant during the Class Period (February 3, 2022 to March 31, 2026); 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 24, 2023 to March 31, 2026) (“Aggrieved Employees”).

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

Based on 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 Defendant’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 Defendant’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 or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You 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 Defendant 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 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant 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 but not the PAGA 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 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You 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 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) 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 Defendant's records is stated on the first page of this Notice. If you disagree with either of these

	numbers, you must challenge it by _____. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Defendant employee. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by the attorneys of D.Law, Inc. in the Action.

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

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

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

In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator Lonnie Giamela in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant 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, Defendant does not admit any violations or concede the merit of any claims. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$650,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant 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, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement in three (3) installment payments: the first installment payment of \$325,000.00 is due not more than 14 days after the Judgment entered by the Court become final or by January 1, 2027, whichever is later; the second installment payment of \$162,500.00 is due within six (6) months after the first installment payment is made; and the third installment payment of \$162,500.00 is due six (6) months after the second installment payment is

made. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed. The Administrator will distribute the Individual Class Payments and Individual PAGA Payments after the second installment payment is made.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$ 216,666.67 (one-third of the Gross Settlement to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$7,500.00 as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$7,750.00 to the Administrator for services administering the Settlement.
 - d. Up to \$65,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant 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. Defendant 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 Defendant 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 sent to Legal Aid at Work, the non-profit organization agreed upon by the Parties to serve as the cy pres recipient.
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 request exclusion from the Class Settlement. The procedure for requesting exclusion from the Class Settlement is explained in Section 6 below. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue the Released Class Claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert the Released PAGA Claims against Defendant.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
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 remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendant 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 Defendant or related entities for the Released Class Claims 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, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including: (a) failure to pay minimum wages, overtime wages, double time wages, and failure to pay other wages of any kind during employment; (b) failure to provide meal periods, and/or timely meal periods, and/or meal premiums; (c) failure to provide rest periods, and/or timely rest periods, and/or rest premiums; (d) failure to provide accurate itemized wage statements; (e) failure to comply with Labor Code §221; (f) failure to timely pay wages during employment and upon termination; (g) failure to maintain accurate records; (h) failure to reimburse or indemnify business expenses; (i) violations of Business & Professions Code § 17200, *et. seq.* (“Released Class Claims”). Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

10. PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), Plaintiff and the LWDA will be bound by the following release:

Plaintiff, on behalf of the LWDA, releases the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Notice, including: (a) failure to pay minimum wages, overtime wages, double time wages, and failure to pay other wages of any kind during employment; (b) failure to provide meal periods, and/or timely meal periods, and/or meal premiums; (c) failure to provide rest periods, and/or timely rest periods, and/or rest premiums; (d) failure to provide accurate itemized wage statements; (e) failure to comply with Labor Code §221; (f) failure to timely pay wages during employment and upon termination; (g) failure to maintain accurate records; and (h) failure to reimburse or indemnify business expenses (“Released PAGA Claims”).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the

result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$22,750.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant'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 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant'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/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who 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.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number 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 *Alexander A. Chatman Jr. v. RJMS Corporation*, and include your identifying information (full name, address, telephone number or email address). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded via fax, email, or mail (postmarked) by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website alameda.courts.ca.gov.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment 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 via fax, email, or mail (postmarked) 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 *Alexander A. Chatman Jr. v. RJMS Corporation* and include your name, current address, telephone number or email address, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 21 of the Alameda Superior Court, located at 24405 Amador Street, Hayward, CA 94544. 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. 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.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Settlement Administrators' website at _____. 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 alameda.courts.ca.gov and entering the Case Number for the Action, Case No. 24CV081124. You can also make an appointment to personally review court documents in the Clerk's Office.

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

Class Counsel:

D.Law, Inc.

Natalie Haritounian

n.haritounian@d.law

Enoch J. Kim

e.kim@d.law

Matthew Carraher

m.carraher@d.law

Andrea Amaya

a.amaya@d.law

250 N. Madison Ave. Second Floor

Pasadena, CA 91101

Telephone: (818) 962-6465

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

June 24, 2024

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128>

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

VIA CERTIFIED MAIL TO:

(by certified mail to RJMS Corporation as follows)

RJMS Corporation
6999 Southfront Rd.
Livermore, CA 94551
Certified Mail Tracking Number: 9414 8112 0620 4719 2555 15

Michelle Finkel Ferber
Agent for Service of Process for RJMS Corporation
2603 Camino Ramon, Suite 385
San Ramon, CA 94583
Certified Mail Tracking Number: 9414 8112 0620 4719 2581 72

**Re: Labor Code § 2698, *et seq.* Penalties - PAGA Notice Letter to LWDA
Alexander A. Chatman, Jr. v. RJMS Corporation
Superior Court for the County of Alameda**

Gentlepersons:

This office represents Plaintiff Alexander A. Chatman (“Plaintiff”) and others similarly aggrieved and employed as non-exempt employees at Defendants’ locations and facilities throughout California, including in positions related to providing and coordinating material handling equipment sales, leasing and repair services to Defendants’ customers during the relevant period (collectively “Aggrieved Employees”) for, *inter alia*, violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.7, 246, 248.1, 248.2, 248.5, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802, 2810.5, 2698, and 2699, *et seq.*; 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 RJMS Corporation 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 Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being filed concurrently in Alameda 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 representative 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

Plaintiff worked as an "Lease Return Coordinator" at one of Defendants' facilities and locations in Livermore, California and Alameda County. He and the other Aggrieved Employees were employed by Defendants as non-exempt employees at Defendants' locations and facilities throughout California, including in positions related to providing and coordinating material handling equipment sales, leasing and repair services to Defendants' customers. Plaintiff worked at Defendants' behest without being paid all wages due and without being provided all required breaks. More specifically, Plaintiff and the other similarly situated Aggrieved Employees were employed by Defendants and shared similar job duties and responsibilities, were subjected to the same policies and practices, and endured similar violations at the hands of Defendants as the other Employees who served in similar and related positions.

Defendants required Plaintiff and the Aggrieved Employees to work off the clock and failed to record accurate time worked by these Employees, failed to pay them at the appropriate rates for all hours worked, failed to pay all wages due and owing at termination or resignation, and provided Plaintiff and the Aggrieved Employees with inaccurate wage statements that prevented them from learning of these unlawful pay practices. Defendants also failed to provide Plaintiff and the Aggrieved Employees with lawful meal and rest periods, as Employees were required to remain under Defendants' control and were not provided with the opportunity to take full uninterrupted, timely, and duty-free rest periods and meal breaks, as required by the Labor Code and the applicable paragraphs of the IWC Wage Orders.

Defendant RJMS CORPORATION is a Delaware corporation which lists its principal address with the California Secretary of State in Livermore, California. It lists its type of business as "MATERIAL HANDLING EQUIPMENT SALES AND SERVICE." The name "RJMS CORPORATION A DELAWARE" is listed as the employer on the wage statements issued to Plaintiff by Defendants on a bi-weekly basis, and upon information and belief to other Aggrieved Employees, with the same California address. Upon information and belief, RJMS CORPORATION was formerly known as Toyota Material Handling, Toyota Material Handling Northern California, and TMHNC, and now does business as Total Industries Material Handling. Upon information and belief, RJMS CORPORATION operates various equipment shops and



facilities, including the Livermore, California, facility where Plaintiff worked. On information and belief, RJMS CORPORATION maintains operations and locations throughout Alameda County and California. The website for Total Industries Material Handling states: “Partnering with Total means diving into your business, your data, your automation options, and taking a holistic look at how to reach your highest goals. Let's take that partnership - and your business - to a whole new level.”

Plaintiff and the Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates, including for meal period and rest break premium payments. Plaintiff also contends that Defendants failed to pay Plaintiff and the Aggrieved Employees all wages due and owing, including by miscalculating wages owed and by requiring off the clock work, failing to provide meal and rest breaks, and failing to furnish accurate wage statements and timely pay all wages owed, all in violation of various provisions of the California Labor Code and applicable paragraphs of the IWC Wage Orders.

During the course of Plaintiff and the Aggrieved Employees’ employment with Defendants they were not paid all wages they were owed, including for all work performed (resulting in “off the clock” work), and for all their overtime hours worked, or were not paid at the correct rates. This has resulted in systematic and ongoing violations of the California Labor Code and relevant IWC Wage Orders. Upon information and belief, Defendants employ other non-exempt material handling equipment sales, lease and repair services employees based out of Defendants’ facilities in California.

Plaintiff worked as an “Lease Return Coordinator” at Defendants’ equipment shops and offices in Livermore, Salinas, Sacramento, and Fresno California. His duties included assisting customer, inspecting rental equipment and travelling to other facilities to perform inspections. Plaintiff generally worked 40 hours per week, five shifts per week. Plaintiff’s scheduled hours were generally from 8:00 a.m. through 5:00 p.m. As part of Defendants’ compensation scheme, Plaintiff and Aggrieved Employees would receive nondiscretionary bonuses, in addition to their wages. These bonuses were part of an incentive plan designed to reward Employees for their productivity.

Despite their obligation to maintain accurate timekeeping records for hours worked by the Aggrieved Employees, Defendants maintained improper time record-keeping systems across their California facilities. In fact, for all of Plaintiff’s employment, Defendants paid Employees like Plaintiff by their scheduled hours, or Defendants’ desired number of hours rather than their actual hours worked. Defendants require that Employees download and use on their personal cell phones a timekeeping application known as “Paylocity,” which purported to record employees’ exact shift start/end time and meal periods. However, to minimize paying overtime compensation, on information and belief, Defendants required that Employees edit their time entries, or had management do so, to round, shave or otherwise adjust Employees’ time entries to conform to their scheduled hours. Plaintiff was specifically required to and edited his time entries at least once per month to shave off time worked to reduce the number of hours worked



by a few minutes. Defendants' rounding and shaving policy resulted in unpaid time for Plaintiff and other Aggrieved Employees as this time worked would not be accurately recorded in Defendants' timekeeping systems. Accordingly, Defendants failed to pay Employees for all their time worked.

The failure to maintain accurate timekeeping and payroll records perpetrated by Defendants has also been exacerbated by other off the clock work Defendants required their Employees to endure. For approximately one to two weeks at the beginning of his Employment with Defendants, Plaintiff was required to don a mask before clocking in as part of Defendants' COVID-19 prevention measures. Employees were also frequently required to clock out for the meal periods and work through them to complete necessary work duties or were required to "fix" their time entries after the fact to enter compliant meal periods when they were not actually able to take them. This practice resulted in off the clock work during Employees' meal periods. Additionally, Plaintiff was required to perform work after clocking out from his shifts by cleaning the coffee machine and performing other menial tasks. Plaintiff and the Aggrieved Employees were also required to work or otherwise remain under Defendants' control after their shift end times, including while remaining on-site and through after hours work-related communications regarding scheduling and other work requirements.

Defendants also paid Plaintiff and the other Aggrieved Employees various forms of compensation including piece-rate pay, commissions, nondiscretionary bonuses, gift cards and other forms of remuneration above and beyond their regular hourly rates. However, despite requiring Plaintiff and the Aggrieved Employees to work extended shifts of over eight hours, Defendants both failed to pay for all overtime hours actually worked and, upon information and belief, failed to pay that overtime at the correct rate. More specifically, to the extent Defendants paid both overtime and bonuses or other remuneration to Plaintiff and the Aggrieved Employees in the same pay period, Defendants miscalculated and underpaid overtime hours by failing to include all forms of remuneration in the regular rate used to calculate and pay overtime. Additionally, to the extent Defendants paid any sick pay to Plaintiff during these pay periods, Defendants similarly miscalculated the rate at which it was paid by failing to account for all forms of remuneration in the regular rate.

Defendants did this, upon information and belief, in connection with other Employees in a concerted effort to underpay wages to Plaintiff and the other Aggrieved Employees. Employees were therefore not paid for all their hours worked at the required minimum, overtime and double time wage rates due to Defendants' policy and practice of requiring work off the clock and without pay or failing to pay for all hours worked at the correct rates of pay. With work shifts generally scheduled for eight hours or more, this unpaid off the clock work resulted in Plaintiff and the Aggrieved Employees working past eight hours on a shift, which required that they be paid at the correct overtime rate of 1.5 times their regular rate. Defendants thus systematically underpaid Plaintiff and the Aggrieved Employees by failing to pay them at the required overtime rates for all hours over eight in a work shift or over forty in a work week, and all hours over twelve in a day at the required double time rate. Upon information and belief, the Aggrieved Employees were bound by similar scheduling and work policies which Defendants required them



to follow and endured similar violations at Defendants' hands as Plaintiff.

Plaintiff was therefore not paid for all his hours worked at the required minimum, overtime, and double time wage rates due to Defendants' uniformly applied and unlawful policy and practice of requiring him to work off the clock and without pay. Defendants systematically underpaid Plaintiff and the Aggrieved Employees by failing to pay them at the required overtime rates for all hours over eight in a work shift or over forty in a work week, and all hours over twelve in a day at the required double time rate. Upon information and belief, the Aggrieved Employees were bound by similar scheduling and timekeeping policies and endured similar violations at Defendants' hands as Plaintiff.

Defendants have failed to maintain timekeeping records for Plaintiff that would permit Plaintiff to discover the nature and extent of the off the clock work Defendants required and the actual hours Plaintiff worked or the breaks he received. By failing to pay for all hours worked, and by under-recording regular hours to the detriment of the Aggrieved Employees, Defendants have committed knowing and intentional ongoing violations of the record keeping requirements under the Labor Code, including section 1174, by either failing to maintain records or retaining inaccurate ones.

The failure to pay for all hours worked and underpayment of wages to Plaintiff and the Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which upon information and belief applied uniformly to the Aggrieved Employees working based out of Defendants' facilities throughout California. As a result of the above-described unlawful requirements to work off the clock, the rounding and time shaving, the failure to accurately record all hours worked and pay wages at the correct rates, and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week.

Therefore, Defendants had a consistent policy or practice of failing to pay Employees for all hours worked and failing to pay minimum wages for all time worked, as required by California law. Also, Defendants had a consistent policy or practice of failing to pay Employees overtime compensation at premium overtime rates for all hours worked in excess of eight hours a day and/or forty hours a week, and double-time rates for all hours worked in excess of twelve hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders.

Defendants also failed to provide Plaintiff and the Aggrieved Employees with their required meal periods, and the at least two ten-minute rest breaks required for scheduled shifts of eight hours. Demanding workloads contributed to Defendants' common policy of failing to provide lawful meal periods to Plaintiff and the Aggrieved Employees, as required under the Labor Code and Paragraph 11 of the IWC Wage Order(s). Defendants similarly systematically failed to authorize and permit Plaintiff and the employee Aggrieved Employees to take all required 10-



minute rest breaks as required under the Labor Code and Paragraph 12 of the IWC Wage Order(s).

More specifically, Plaintiff worked shifts that entitled him to at least one meal period, but Defendants' managers required Plaintiff and the Aggrieved Employees to prioritize work over taking proper meal periods. In fact, Defendants made no effort to even schedule or otherwise account for time for Plaintiff and the Aggrieved Employees to use for duty-free, net thirty minute meal periods. At least once per month, Plaintiff was required to clock out and work through his meal periods or was required to "fix" his time entries to create the appearance of a compliant meal period entry when Plaintiff was not actually able to take one. To the extent Defendants required Plaintiff to work over ten hours on a work shift, Defendants also failed to provide second meal periods and Defendants have produced no evidence of premium wage payments for meal period violations under Labor Code 226.7. To the extent Defendants have paid any such premiums, upon information and belief they failed to include all forms of remuneration, including bonuses, shift differentials, and the like in the regular rate at which Defendants paid the premiums.

Therefore, meal period violations systematically occurred throughout all of Plaintiff's work shifts as Defendants failed to provide a lawful meal period or penalty payment. To the extent Defendants ever did pay Plaintiff a meal period premium, they failed to include all forms of remuneration beyond hourly wages in the regular hourly rate used to pay the one-hour premium payment. Upon information and belief, the other Aggrieved Employees were subjected to similar unlawful policies and practices and endured similar violations as Plaintiff. Defendants thus failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Plaintiff and the other Aggrieved Employees, as required by the applicable Wage Order and Labor Code. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants for more than five hours during a shift without receiving compliant meal periods. Additionally, as addressed above, Defendants followed a practice of requiring off the clock work and rounding and time shaving in a manner that would impact when Employees were to receive meal periods and rest breaks and required them to respond to work calls and inquiries and other demands during breaks, thus leading to further violations.

Defendants appear to recognize and accept their unlawful policies, as Plaintiff's wage statements evidence Defendant paying meal period premium payments under Labor Code § 226.7 to Plaintiff. As addressed above, Defendants committed similar and ongoing violations by failing to include all forms of remuneration, including bonuses and the like, in the regular hourly rate at which they paid the premiums to Plaintiff and Aggrieved Employees.

Defendants thus followed uniformly applied policies of not providing all required meal periods to their Employees. Meal periods were often not properly provided, as work demands impermissibly shortened their breaks. Even when Plaintiff and the Aggrieved Employees were able to take a meal period, it was generally interrupted by work duties or was taken after the fifth hour of work. Additionally, as addressed above, Defendants followed a practice of requiring off



the clock work in a manner that would impact when Employees were to receive meal periods and rest breaks, thus leading to further violations.

As a result, Defendants' failure to provide Plaintiff and the Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Therefore, Plaintiff and the Aggrieved Employees were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks as required under the Labor Code and Wage Orders due to Defendants' policies and practices. On the occasions when Plaintiff and the Aggrieved Employees were provided with a meal period, it was often untimely or interrupted, or was impermissibly shortened, and Employees were not provided with one hour's wages in lieu thereof.

Similar violations resulted from Defendants' failure to authorize and permit Plaintiff and the Aggrieved Employees to take duty-free, net ten-minute rest breaks for every four hours of shift work, or major fraction thereof. Plaintiff and the other similarly situated Aggrieved Employees were either not authorized permitted the opportunity to take a rest break, or were required to remain under Defendants' control and respond to instructions from management and job demands if and when they even attempted to take one. Upon information and belief, Defendants thus also failed to authorize and permit employees to leave the premises during rest breaks, evidencing Defendants' policy and practice of requiring Plaintiff and the Aggrieved Employees to remain under their control during required off-duty rest break times.

Defendants thus failed to authorize and permit duty-free ten minute rest breaks as required under the Labor Code and IWC Wage Orders. In fact, Defendants made no effort to even schedule or otherwise account for time for Plaintiff and the Aggrieved Employees to use for duty-free, net ten minute rest breaks. This common and unlawful policy uniformly applied to the Employees during the relevant period, meaning Defendants' rest break policy was not to schedule or otherwise authorize and permit them. Plaintiff and the Aggrieved Employees worked eight to twelve hours on an average shift, and were required to receive at least two rest breaks or three rest breaks on shifts over ten hours. Given the work demands, understaffing, and pressure from Defendants' management, Plaintiff and the Aggrieved Employees were compelled to not take rest breaks despite working extended shifts. Defendants have produced no evidence of any payments for rest break violations under Labor Code § 226.7. To the extent Defendants have paid any such premiums, upon information and belief they failed to include all forms of remuneration, including bonuses, in the regular rate at which Defendants paid the premium.

Defendants' uniformly applied policies and practices thus resulted in untimely and shortened or on-duty rest breaks when they were authorized and permitted. Plaintiff and the Aggrieved Employees worked shifts of at least eight hours, which required at least two rest breaks, and often worked shifts over ten hours, which required at least three rest breaks. Even on the occasions when Defendants authorized and permitted Plaintiff to take a first rest break, he was not permitted to take a second or a third break, and those that were provided were often late and generally interrupted by job duties and requirements.



During rest periods, employers must relieve employees of all duties and relinquish control over how employees spend their time. Plaintiff and the Aggrieved Employees were and are under Defendants' control when they are working through rest breaks. Defendants have also provided either impermissibly shortened or untimely meal and rest breaks to Plaintiff and the Aggrieved Employees. Plaintiff and the Aggrieved Employees were thus not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks, and were not provided with one hour's wages in lieu thereof. Plaintiff and the Aggrieved Employees were also required to remain on-duty during breaks or portions of their breaks, thus making them either untimely or shortened and on-duty, and they were also prevented from leaving the premises and otherwise remain under Defendants' control during rest breaks under Defendants' uniformly applied policies and practices.

Defendants have also consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' wages, including by requiring off the clock work during breaks and before and after work shifts and by miscalculating the regular rate and accordingly underpaying overtime wages and meal and rest break premiums. By not compensating Employees for all hours worked at the correct rates, Defendants unlawfully deducted wages earned by and owed to Plaintiff and the Aggrieved Employees, in violation of Labor Code § 221.

Defendants also violated California Labor Code § 246 by not providing all required paid sick days to Plaintiff and the similarly aggrieved Employees. Labor Code § 246 provides that an Employee who "works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section." Paid sick time for nonexempt employees shall be calculated in the same manner as the regular pay rate for the workweek in which the employee uses the paid sick time. Defendants failed to provide Plaintiff and the other similarly Aggrieved Employees with all their required and earned sick days paid at the correct rate of pay, in violation of Labor Code § 246. Additionally and upon information and belief, Defendants have failed to provide COVID-19 supplemental sick leave to the Aggrieved Employees during the relevant time period, including by failing to provide two work weeks of COVID-19 supplemental paid sick leave paid at the correct rates as required under Labor Code §§ 248.1 and 248.2 and including damages and penalties as these sections are enforced through Labor Code § 248.5, which requires that: "If paid sick days were unlawfully withheld, the dollar amount of paid sick days withheld from the employee multiplied by three, or two hundred fifty dollars (\$250), whichever amount is greater, but not to exceed an aggregate penalty of four thousand dollars (\$4,000), shall be included in the administrative penalty." Plaintiff accordingly seek this relief available for Defendants' failure to provide Employees with all their required and earned sick days and all their COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, and the civil and statutory penalties available and applicable under Labor Code §§ 246, 248.1, 248.2, 248.5, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Upon information and belief, Defendants also failed to provide Employees such as Plaintiff at the time of his employment and thereafter with written notice complying with all the requirements of Labor Code § 2810.5, which provides that: "At the time of hiring, an employer



shall provide to each employee a written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing” specific required information. Upon information and belief, Defendants failed to provide this information to the Aggrieved Employees as required under Labor Code § 2810.5. Defendants were required to provide Plaintiff and the Aggrieved Employees certain specific information upon hiring pursuant to California Labor Code § 2810.5. Defendants failed to provide Plaintiff with any such information when he was hired, or have failed to produce it, and upon information and belief Defendants committed similar violations in connection with similarly situated Aggrieved Employees.

Defendants have also failed to provide Aggrieved Employees with proper wage statements, as required by California wage-and-hour laws. Defendants’ wage statements erroneously list the employer name as “RJMS CORPORATION A DELAWARE” when the correct legal entity and employer is “RJMS CORPORATION.” This mistake appears throughout wage statements issued to Plaintiff during his tenure and made it difficult for him to discern the identity of his employer. This is a systematic violation of the facial requirement under Labor Code 226(a)(8) to the extent this incorrect employer name also appeared on wage statements issued to the Aggrieved Employees.

Moreover, Defendants have also consistently failed to provide Aggrieved Employees with timely, accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws, including by the requirement of off the clock work, the failure to pay all overtime and double time wages owed and failure to pay them at the appropriate premium rates, and the failure to pay premium wages for unprovided or otherwise unlawful meal and rest breaks, or by miscalculating any overtime or meal period or rest break premium wages and by the systematic and unlawful deductions Defendants took from Employee wages. Defendants have also made it difficult to account with precision for the unlawfully withheld wages and meal and rest period compensation owed to Plaintiff and the Aggrieved Employees, during the liability period, including because they did not calculate the regular rate of pay correctly when paying overtime or meal period premiums and because they did not implement and preserve a record-keeping method as required for non-exempt employees by California Labor Code §§ 226, 1174(d), and paragraph 7 of the applicable California Wage Orders. Upon information and belief, time clock punches were not maintained or were not accurately maintained for work shifts and meal periods. Defendants also failed to accurately record and pay for all regular and overtime hours worked and submitted by Plaintiff and the Aggrieved Employees, including by failing to pay all overtime hours at the correctly calculated overtime premium rate.

Defendants also provided Plaintiff and the Aggrieved Employees with wage statements that failed to report all hours worked accurately, applicable hourly rates for all hours worked and bonuses and the like. Plaintiff and the Aggrieved Employees were provided with unlawful wage statements that failed to reflect all hours worked and failed to pay for all overtime hours or failed to pay overtime wages at the correct overtime premium rate, and Defendants miscalculated meal and rest break premiums, and sick time if and when they did pay them. Defendants followed this unlawful policy and practice even though both Plaintiff and Defendants were aware that Plaintiff



and the Aggrieved Employees worked more total hours than were reflected on the wage statements, including overtime hours, and were underpaid by regular rate miscalculation. Plaintiff and the Aggrieved Employees were unable to discern from their wage statements alone the actual hours they worked in total during a pay period and the rates they were paid for those hours worked.

Defendants have thus also failed to comply with Labor Code § 226(a) by inaccurately reporting total hours worked and total wages earned by Plaintiff and the Aggrieved Employees, along with the appropriate applicable rates, among others requirements. Plaintiff and Aggrieved Employees are therefore entitled to penalties not to exceed \$4,000.00 for each employee pursuant to Labor Code § 226(b). 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, and 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.

Defendants also required Plaintiff and the Aggrieved Employees to work hours off the clock for which they were not compensated. They were required to endure off the clock work addressed above during interrupted or otherwise on-duty meal and rest periods and were not provided with sick pay and supplemental sick leave and were subjected to systematic off the clock work. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or failed to pay it at the correct rate, as addressed above. Therefore, Defendants have also followed a uniform and consistent policy of failing to pay all wages owed to Plaintiff and other similarly situated Employees at the time of their termination or within seventy-two hours of their resignation, as required by California wage-and-hour laws, including Labor Code § 203.

Additionally, Defendants have regularly required Plaintiff and the Aggrieved Employees to incur necessary business expenses in the course of performing their required job duties without reimbursement. These included the cell phone-related expenses Plaintiff incurred in completing his work duties including taking photos of equipment and uploading them to the “Northstar” system as part of his job duties and the use of his cell phone to record his time entries on the Paylocity app. Plaintiff and Aggrieved Employees were also responsible for maintenance of their work uniforms without receiving reimbursement. Plaintiff and the Aggrieved Employees must be reimbursed for these necessary business expenses under Labor Code § 2802, and Defendants systematically failed to do so.

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.

Defendants failed to pay Employees the minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with off the clock work, including all the time required to remain on duty and under Defendants’ control during breaks and due to the work demands placed upon them by Defendants’ management and due to unlawful rounding. Defendants, and each of them, have also intentionally and improperly rounded, changed, adjusted and/or modified Employee hours, or required Employees to do so, and imposed difficult to attain job and shift scheduling requirements on Plaintiff and the Aggrieved Employees, which resulted in off the clock work and underpayment of all wages owed to Employees over a period of time, while benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Aggrieved Employees, including by requiring systematic off the clock work. Defendants’ uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

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 for 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 Aggrieved Employees earned wages and overtime. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates. Defendants, and each of them, have intentionally and improperly rounded, changed, adjusted and/or modified certain employees' hours, including Plaintiff's, or required Aggrieved Employees to do so, or otherwise caused them to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits, in violation of the California Labor Code, the California Code of Regulations and the IWC Wage Orders and guidelines set forth by the Division of Labor Standards and Enforcement.

Defendants have also violated these provisions by requiring Plaintiff and other similarly situated non-exempt 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 or remain under Defendant's control. When considered in combination with the unlawful rounding to their detriment, Aggrieved Employees were not properly compensated, nor were they paid overtime rates or the correct overtime rate (addressed above) for hours worked in excess of eight hours in a given day, and/or forty hours in a given week. Based on information and belief, Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other 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 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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and Penalties

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 due to the work demands placed upon them by Defendants' management, were provided with breaks late and



well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks due to Defendants' policies and practices.

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 Defendant's control, 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 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.

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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest Period Liability 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 generally failed to authorize and permit any rest breaks, or provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond job requirements or simply failed to authorize and permit them at all.

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 break 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.

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 effective hourly rates of pay for each rest break 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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unlawfully Collecting or Receiving Wages in Violation of Labor Code § 221

Labor Code § 221 provides, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." As discussed above, Defendants have consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' earned wages, including by the above described off the clock work , unlawful rounding, and overtime miscalculation. By not compensating Employees for all hours worked, Defendant unlawfully deducted wages earned by and owed to Aggrieved Employees, in violation of Labor Code § 221.

In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558. Under the PAGA, and following exhaustion of the notice period, Plaintiff seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate 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, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal and rest periods, and unlawfully received or collected wages, as discussed above, and failed to list accurate rates of pay due to miscalculations of overtime and premium pay. 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., 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 and by rounding. 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.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees, and costs pursuant to Labor Code §§ 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 para. 20 of 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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

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, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the foregoing, 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 salaries 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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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 foregoing, 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 of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the foregoing, 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 for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Paid Sick Days and COVID-19 Supplemental Sick Leave

Defendants violated California Labor Code § 246 by not providing all required paid sick days to Plaintiff and the Aggrieved Employees. Labor Code § 246 provides that an Employee who “works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.” Defendants failed to provide Plaintiffs and the other similarly Aggrieved Employees with all their required and earned sick days, in violation of Labor Code § 246. Defendants have also failed to provide COVID-19 supplemental sick leave to the Aggrieved Employees during the relevant time period, including by failing to provide two work weeks of COVID-19 supplemental paid sick leave as required under Labor Code §§ 248.1 and 248.2 and including damages and penalties as these sections are enforced through Labor Code § 248.5, which requires that: “If paid sick days were unlawfully withheld, the dollar amount of paid sick days withheld from the employee multiplied by three, or two hundred fifty dollars (\$250), whichever amount is greater, but not to exceed an aggregate penalty of four thousand dollars (\$4,000), shall be included in the administrative penalty.”

Plaintiff accordingly seeks this relief available for Defendants' failure to provide Aggrieved Employees with all their required and earned sick days and all their COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, and the civil and statutory penalties available and applicable under Labor Code §§ 246, 248.1, 248.2, 248.5, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Information Upon Hiring Pursuant to Labor Code § 2810.5:

Labor Code § 2810.5 provides that: “At the time of hiring, an employer shall provide to each employee a written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing” specific required information. Upon information and belief, Defendants failed to provide this information to the Aggrieved Employees as required under Labor Code § 2810.5. Under the PAGA, and following exhaustion of the notice period, Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2810.5, 1198, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802

Defendants required Plaintiff and the Aggrieved Employees to pay for necessary work-related expenses they incurred. These included the cell phone-related expenses Plaintiff incurred in completing his work duties including taking photos of equipment and uploading them to the “Northstar” system as part of his job duties and the use of his cell phone to record his time entries on the Paylocity app. Plaintiff and Aggrieved Employees were also responsible for maintenance of their work uniforms without receiving reimbursement. Defendants thus 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).

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to 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, 226, 226.7, 246, 248.1, 248.2, 248.5, 510, 512, 558, 1174, 1174.5, 1185, 1194, 1194.1, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2810.5, and 2698 *et seq.*, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay, 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, 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 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) Unlawful Deductions and Failure to Reimburse Business Expenses: For Defendants' unlawful deductions from wages and for Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 221, 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 §§ 221, 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 and COVID-19 Supplemental Sick Leave: For Defendants' failure to provide Employees with all their required and earned sick days and all their COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, and the civil and statutory penalties available and applicable under Labor Code §§ 246, 248.1, 248.2, 248.5, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) All Other Alleged Violations of the Labor Code and IWC Wage Orders: For Labor Code §§ 2810.5, and any above addressed violation of the applicable provisions of the Labor Code and 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 RJMS Corporation, 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.

A handwritten signature in black ink, appearing to read 'Alvin B. Lindsay', with a horizontal line underneath.

Alvin B. Lindsay

a.lindsay@d.law

Tania Fonseca

t.fonseca@d.law

Cc: RJMS Corporation by Certified Mail

EXHIBIT 3