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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

JOSE ROSAS, individually and on behalf of all others similarly situated, Plaintiffs, vs. URTH PAYROLL SERVICES, INC.; and DOES 1 through 20, inclusive, Defendants.	Case No. 24STCV18233 Assigned for All Purposes to: Hon. Laura A. Seigle Dept. 17 **JOINT STIPULATION TO APPROVE PAGA SETTLEMENT**

Plaintiff Jose Rosas ("Plaintiff") and Defendant Urth Payroll Services, Inc. ("Defendant") (collectively, the "Parties") hereby stipulate and request that the Court enter an Order approving the Parties' PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE[1] (the "Settlement Agreement" or "Settlement") as follows:

PROCEDURAL HISTORY

1. Plaintiff was employed by Defendant from May 2022 through May 2025 as a non-exempt employee.

2. On July 19, 2024, Plaintiff submitted a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to Defendant via certified mail regarding Defendant's alleged violations Wage Orders, and California Business and Professions Code sections 17200 *et seq*. The LWDA did not respond to this notice within 65 days, indicating it did not intend to investigate, thus allowing Plaintiff to file the instant lawsuit.

3. On July 29, 2024, Plaintiff filed this action as a proposed class action lawsuit, alleging that, Defendant failed to: (1) pay minimum wages, (2) pay overtime wages, (3) provide lawful meal periods or compensation in lieu thereof, (4) authorize or permit lawful rest breaks or provide compensation in lieu thereof, (5) provide accurate itemized wage statements, (6) pay all wages due upon separation of employment and, (7) abide by the requirements of California Business and Professions Code Section 17200 *et seq*.

4. On September 23, 2024, Plaintiff amended the Complaint to add a cause of action under PAGA.

5. The Parties agreed to attend early mediation with an informal exchange of discovery pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and analyze the claims prior to mediation. Specifically, Defendant produced the time and pay records for all Aggrieved Employees, relevant policy documents, exemplars of meal waivers, Plaintiff's personnel file, and data regarding the number of pay periods worked.

[1] The Settlement is attached to the Declaration of Jessica L. Campbell ("Campbell Decl.") as **Exhibit 1**, and the proposed letter to be sent to the Aggrieved Employees is attached thereto as **Exhibit A**.

Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims.

6. The Parties attended mediation on February 26, 2025, with mediator Jill R. Sperber.

7. The Parties did not agree to a settlement at mediation, but continued to work with the mediator, which ultimately resulted in this Settlement.

PAGA REQUIREMENTS

8. Based on the California Supreme Court's opinions in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), and *Iskanian v. CLS Transportation Los Angeles, LLC,* 59 Cal. 4th 348 (2014), Plaintiff can seek appropriate civil penalties as called for under PAGA on behalf of the State of California and other similarly aggrieved employees without seeking class certification or meeting the requirements of class certification (i.e. numerosity, typicality, commonality and adequacy). As such, the class action two-step preliminary and final approval process is not required.

9. In a settlement of a PAGA action brought by an aggrieved employee, the Court need only "review and approve" the settlement. Cal. Lab. Code § 2699(1)(2). The Parties to this current PAGA action have reached such an agreement and now seek this Court's approval of the proposed Settlement.

SETTLEMENT TERMS

10. The Parties have agreed that Defendant will pay a total settlement amount of $200,000 (the "Gross Settlement Amount"). *See* Settlement Agreement, § III(1). From this amount, up to one-third (1/3) of the Gross Settlement Amount, or $66,666.67, is allocated to attorneys' fees and up to $25,000.00 to actual litigation costs. *Id.* at III(3)(b). To date, Plaintiffs' Counsel has spent $24,601.32 in actual litigation costs and incurred $91,012.50 in attorneys' fees. *See* Campbell Decl., ¶¶ 33-34, Exhibit 5. The Settlement allocates up to $10,000.00 to payment for the costs of the Settlement Administrator associated with the administration of the Settlement. Settlement Agreement, §III(3)(a).

11. After deducting the above amounts for attorneys' fees and costs and the Settlement Administrator's costs, the remaining fund will constitute the Net Settlement Amount to distribute 65% to the LWDA and 35% to the Aggrieved Employees divided amongst Aggrieved Employees

based on their respective number of pay periods worked for Defendant during the PAGA Period. Settlement Agreement, § III(4).

12. The "Aggrieved Employees" means all current and former non-exempt hourly employees who worked at least one pay period for Defendant in California at any time during the PAGA Period from July 19, 2023 through the pay period that ended on June 15, 2025. Settlement Agreement § I(2).

13. Upon the date Defendant funds the Settlement, Aggrieved Employees and the State of California will be deemed to release Urth Payroll Services, Inc. dba Urth Caffe, and its former, present and future owners, parents, subsidiaries, affiliates, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, attorneys, accountants, insurers (and their third-party administrators), or legal representatives (the "Released Parties") from any and all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties that were alleged or reasonably could have been alleged in the Complaint or PAGA Notice, or based on the factual allegations pleaded in the Action and the PAGA Notice arising during the PAGA Period, including, without limitation, purported violations of California Labor Code sections 201, 202, 203, 204, 207, 210, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699 *et seq.,* 2800, 2802, the Industrial Welfare Commission Wage Orders, California Business and Professions Code section 17200 *et seq.*, Code of Civil Procedure § 1021.5, and any related claims for attorneys' fees, costs, or interest resulting therefrom (the "Released Claims"). Settlement Agreement, § III(5).

14. The Parties have agreed to use Phoenix Settlement Administrators as the Settlement Administrator, who has provided a not-to-exceed bid of $8,750. *See* Declaration of Jodey Lawrence of Phoenix Settlement Administrators.

THE SETTLEMENT IS FAIR AND REASONABLE

15. PAGA settlements must be "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc.*, 72 Cal.App.5th 56, 77 (2021). The court must find

that the plaintiff "has adequately represented the state's interests, and hence the public interest." *Id.* at 89.

16. Here, the $200,000 Gross Settlement Amount is reasonable for a group of approximately 880 Aggrieved Employees, which is the equivalent of about $227 per employee. The penalty is large enough to punish Defendant for alleged past violations and deter future violations. At the same time, the penalty amount is not so large as to be unjust, oppressive or confiscatory, considering the company's potential exposure explained below.

17. Plaintiff calculated the potential exposure at the initial violation rate of $100.00 per pay period as follows: 26,500 x $100.00 per pay period is $2,650,000 for an estimated 26,500 pay periods. If the Court stacked different types of penalties in each pay period, then Plaintiff calculated the exposure as follows:

a. 26,500 pay periods x $100 per pay period x 15% alleged meal violation rate = $397,500 for meal period violations;

b. 26,500 pay periods x $100 per pay period x 74% violation rate (for alleged failure to pay overtime at regular rate of pay) = $1,961,000 for unpaid overtime wages;

c. 26,500 pay periods x $100 per pay period x 100% alleged violation rate = $2,650,000 for derivative wage statement penalties; and

d. 391 former employees x $100 alleged penalty = $39,100 for derivative waiting time penalties.

18. However, Defendant raised a number of arguments during settlement negotiations and provided evidence that could have defeated Plaintiff's claims. For example, Plaintiff argued that 15% of all pay periods contained a unique meal violation. However, Defendant provided evidence that it maintained policies allowing its employees to waive their meal periods if they worked shifts less than 6 hours or to waive their second meal period if they worked shifts between 10-12 hours. To this end, Defendant also produced several meal waivers signed by employees. If the court found that these signed waivers were valid, then the violation rate becomes almost non-existent (less than 1%).

19. In addition, Defendant produced several "Employee Wage Survey and Declaration" questionnaires, in which employees responded, under penalty of perjury, that they have been provided with proper meal periods and rest breaks.

20. Plaintiff's overtime claim was based on the allegation that Defendant did not incorporate the value of its free meals offered to employees as part of their employment in the regular rate of pay for purposes of overtime. Plaintiff alleged that these meals were tied to working a shift and thus should have been incorporated as it was part of the employees' regular compensation package. However, Defendant argued that there was no California authority mandating the inclusion of free meals into the regular rate, especially where a meal is offered to the convenience of employees.

21. Plaintiff's wage statement and waiting time claims were derivative of the foregoing claims. Therefore, if Plaintiff could not prove the underlying claims, then he would not be able to recover these derivative penalties.

22. Finally, a crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are discretionary and can be reduced by the Court. Under Labor Code § 2699(e)(2), the Court can reduce the PAGA penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." In other words, were this matter to go to trial, any award granted would be at the discretion of the Court. *See, e.g. Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum).

23. In settling this case, Plaintiff recognized that the Court could exercise its judgment and significantly reduce the PAGA penalties, especially in light of any argument by Defendant that it had a good faith belief that it was in compliance with the Labor Code after maintaining facially compliant policies and interviewing several employees to analyze whether meal and rest breaks were provided.

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NOTIFICATION OF THE LWDA

24. Concurrent with the filing of this Stipulation, Plaintiff has also provided the LWDA with notice of this Settlement as well as this Stipulation. A copy of the LWDA's confirmation of submission of the Settlement and Stipulation is attached to the Campbell Decl. as Exhibit 2.

NOW, THEREFORE, it is stipulated by and between the Parties that:

1. The Court enter an Order granting approval of this Joint Stipulation.

IT IS SO STIPULATED.

AEGIS LAW FIRM, PC

Date: August 27, 2025

/s/ Jessica L. Campbell
Jessica L. Campbell
Attorneys for Plaintiff Jose Rosas

THOMPSON COBURN LLP

Date: August 27, 2025

/s/ Elissa L. Gysi
Elissa L. Gysi
Attorneys for Defendant Urth Payroll Services, Inc. dba Urth Caffe