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12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

13 **COUNTY OF LOS ANGELES**

14 ISMAEL CRUZ and PRINCE RAY, as
15 individuals and on behalf of all other
16 similarly situated Class Members,

17 Plaintiff,

18 v.

19 HENKELS & MCCOY WEST, LLC, a
20 Florida Limited Liability Company;
21 HENKELS & MCCOY, INC., a
22 Pennsylvania Corporation; and DOES 1-
23 100, inclusive,

24 Defendants.

Case No.: 24STCV29321 (Lead)

Related Case No.: 24STCV29074

Assigned for All Purposes to:

Hon. Elihu Berle

Dept. SSC-6

**DECLARATION OF BRANDON
BROUILLETTE IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: September 19, 2026

Time: 11:00 a.m.

Dept.: SSC-6

1 Nicholas J. Ferraro (State Bar No. 306528)
2 Lauren N. Vega (State Bar No. 306525)
3 Nicolas P. Ahadzadeh (State Bar No. 365386)
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10 *Attorneys for Plaintiff Prince Ray*

1 I, BRANDON BROUILLETTE, declare as follows:

2 1. I am an attorney duly licensed to practice in California and before this Court, and I
3 am a partner with Crosner Legal, P.C., co-counsel of record for Plaintiffs in the above-captioned
4 matter. If called to testify as to the facts within, I would and could competently do so.

5 2. Attached hereto as Exhibit 1 is a true and correct, fully-executed copy of the Parties'
6 Class Action and PAGA Settlement Agreement (the "Settlement Agreement"). Attached hereto as
7 Exhibit 2 is a redline of the Agreement showing all changes made from the LASC Model
8 Agreement. Attached hereto as Exhibit 3 is true and correct copy of the proposed class notice.
9 Attached hereto as Exhibit 4 is a true and correct copy of Plaintiff Cruz's notice letter to the Labor
10 & Workforce Development Agency ("LWDA") and proof of submission. Attached hereto as Exhibit
11 5 is a true and correct copy of proof of submission of the operative complaint to the LWDA.
12 Attached hereto as Exhibit 6 is a true and correct copy of proof of submission of the proposed
13 settlement to the LWDA.

14 3. I am unaware of any other pending matter or action asserting claims that will be
15 extinguished or affected by the Settlement.

16 **CROSNER LEGAL'S QUALIFICATIONS**

17 4. I am a graduate of Loyola Law School, Los Angeles, from which I received a *juris*
18 *doctorate* degree in 2009. Prior to attending law school, I attended the University of Southern
19 California, from which I received a bachelors of science in Business Administration in 2006.

20 5. I have been a Partner at Crosner Legal since February 1, 2023. Prior to joining
21 Crosner Legal, I was a Senior Associate and Team Director of a Wage and Hour Litigation Team at
22 Capstone Law APC, which I originally joined as an associate attorney in May 2016.

23 6. Since being admitted to the California State Bar in 2010, my entire legal career has
24 been dedicated to protecting employee and consumer rights through the prosecution of class action
25 and representative actions filed on behalf of plaintiffs in class actions and statewide representative
26 actions. Throughout my career I have managed or co-managed more than 100 class action and
27 PAGA representative cases, from initial filing of the complaint through final resolution.

28 7. In particular, I have served as class counsel in several certified class action cases,

1 including:

- 2 a. *Party City Wage and Hour Cases*, JCCP4781 (class counsel for certified class of non-
3 exempt hourly employees who worked for Defendants in California)
- 4 b. *Lewis v. Express Messenger Systems*, Los Angeles Superior Court Case No. BC501521
5 (class counsel for certified class of last-mile delivery drivers who were alleged to be
6 misclassified as independent contractors)
- 7 c. *Ramirez-Vivar v. Grifols Diagnostic Solutions, Inc., et al.*, Alameda County Superior
8 Court, Case No. RG21099519 (class counsel for certified classes of non-exempt hourly
9 employees who worked for Defendants in California)
- 10 d. *Jones v. LA Live* , Los Angeles County Case No. BC687908 (class counsel for certified
11 issue classes consisting of hourly employees who worked at Staples Center and Nokia
12 Theater)

13 8. The following is a representative sample of settlements in wage and hour class
14 action and PAGA representative cases in which I was listed as an attorney of record and either
15 managed, or co-managed with attorneys at my firm and other co-counsel:

- 16 e. *Cruz v. Walmart*, Los Angeles County Super. Ct. Case No. 18STCV03128 (\$15 million
17 global PAGA settlement on behalf of hourly employees statewide for alleged Labor
18 Code violations)
- 19 f. *Vorise v. 24 Hour Fitness USA, Inc.*, Contra Costa County Super. Ct., Case No. C 15-
20 02051 (\$11 million global PAGA settlement on behalf of over 36,000 employees for
21 Labor Code violations)
- 22 g. *Gross v. Sodexo*, Kern County Super Ct., Case No. BCV-18-101746 (\$4.75 million class
23 and PAGA settlement on behalf of class of non-hourly employees for Labor Code
24 violations)
- 25 h. *Campbell v. AEG* (\$1.8M class and PAGA settlement on behalf of group of hourly
26 employees who worked at concert venues in California for alleged Labor Code
27 violations)
- 28 i. *Fiebelkorn v. AEG, et al.*, Los Angeles Superior Court Case No. BC717337 (\$1.75M

- 1 class settlement on behalf of group of hourly employees who worked at Oakland
2 Coliseum for alleged Labor Code violations)
- 3 j. *Amaro v. Anaheim Arena Management*, Orange County Superior Court Case No. 30-
4 2017-00917542 (\$2,212,500 class and PAGA settlement on behalf of group of hourly
5 employees who worked at Honda Center in Anaheim, California for alleged Labor Code
6 violations)
- 7 k. *Espindola v. Panda Express*, San Bernardino Superior Court Case No. CIVDS1931455
8 (\$3.125M class and PAGA settlement on behalf of hourly employees statewide for
9 alleged Labor Code violations)
- 10 l. *Gold v. Benihana*, San Diego County Superior Court Case No. 37-2016-00022320-CU-
11 OE-NC (\$2.25M class and PAGA settlement on behalf of hourly employees statewide
12 for alleged Labor Code violations)
- 13 m. *Party City Wage and Hour Cases*, JCCP4781 (\$6.5M class and PAGA settlement on
14 behalf of hourly employees statewide for alleged Labor Code violations)
- 15 n. *Lewis v. Express Messenger Systems*, Los Angeles County Superior Court Case No.
16 BC501521 (\$10.5M class and PAGA settlement on behalf of a statewide group of
17 independent contractor last-mile delivery drivers alleged to be misclassified)
- 18 o. *Flores v. Tesla*, Alameda County Superior Court Case No. RG18907072 (\$4M class and
19 PAGA settlement on behalf of statewide group of hourly employees for alleged Labor
20 Code violations)
- 21 p. *Ruiz v. Disney Stores*, San Bernardino Superior Court Case No. CIVDS2016983 (\$2M
22 class and PAGA settlement on behalf of statewide group of hourly employees who
23 worked at retail stores in California for alleged Labor Code violations)
- 24 q. *Ramirez v. Yin Management*, Sacramento County Superior Court Case No. 34-2021-
25 00301530 (\$1.8M class and PAGA settlement on behalf of statewide group of hourly
26 employees who worked at Defendant's McDonald's franchises in California for alleged
27 Labor Code violations)
- 28 r. *Suhartono v. RRG Besh*, Los Angeles County Superior Court Case No. 19STCV22184

1 (\$2.25 million class and PAGA settlement on behalf of statewide group of hourly
2 employees who worked at Defendant's McDonald's franchises in California for alleged
3 Labor Code violations)

4 s. *Gomes v. Kura Sushi*, Los Angeles County Superior Court Case No. 19STCV18977
5 (\$1.75M class and PAGA settlement on behalf of statewide group of hourly employees
6 who worked at Defendant's restaurants in California for alleged Labor Code violations)

7 t. *Saldana v. Hydrochem*, Contra Costa Superior Court Case No. CIVMSC19-02624
8 (\$1.38M class and PAGA settlement on behalf of statewide group of hourly employees
9 for alleged Labor Code violations)

10 9. In addition, below are settlements in consumer class action cases in which I was listed
11 as an attorney of record and either managed or co-managed with attorneys at my firm:

12 u. *Lopez v. Seterus, et al.*, Los Angeles Superior Court Case No. BC484297 (\$3M class
13 settlement on behalf of thousands of borrowers in California, Florida, and Texas for UCL
14 violations premised on improper late fee collections)

15 v. *McGill v. Citibank*, Riverside County Superior Court Case No. RIC 1109398 (in
16 landmark case that established the 'McGill rule' precluding the waiver of public
17 injunctive relief in pre-dispute arbitration agreements, negotiated confidential settlement
18 on behalf of consumer who sued for damages and class injunctive relief stemming from
19 marketing of credit protector plan)

20 10. Finally, I have been selected by my peers as a Super Lawyers 'Rising Star' every
21 year since 2016 through 2022, which is a recognition that is provided to only 2.5% of active lawyers
22 practicing within the State of California.

23 11. Zach Crosner is a 2010 graduate of University San Diego School of Law, and has some 15+
24 years of experience as a practicing attorney, all of which have focused on litigation of employment, labor
25 law, consumer, and class action claims. Following graduation, he immediately began working for a
26 nationally recognized plaintiff's complex litigation firm, CaseyGerry, where he had the fortune of working
27 directly with past presidents of the consumer attorneys and recipients of trial attorneys of the year awards.
28 He also worked for former CAALA and CLAY trial attorney of the year recipient, attorney Conal Doyle, as

1 his sole associate attorney. During his tenure at these firms, he focused on advocating for the rights of
2 consumers and employees in class action litigation, civil rights and employment litigation, catastrophic
3 injuries, insurance bad faith and appellate litigation.

4 12. In 2013, Mr. Crosner founded the law firm of Crosner Legal, P.C. which since its inception
5 has focused almost exclusively on wage and hour class actions and other labor and employment law cases
6 representing plaintiffs. Currently, over ninety percent (90%) of his practice is dedicated exclusively to the
7 prosecution of wage and hour class actions, and Crosner Legal is currently responsible as lead counsel or co-
8 lead counsel for prosecuting well over fifty (50) wage and hour class actions and/or PAGA representative
9 actions in both federal and state courts throughout California.

10 13. Mr. Crosner currently is an executive board member of the Wage and Hour Committee and
11 the Legislative Committee for the California Employment Lawyers Association; a member of the Grassroots
12 Advocacy Team for the National Employment Lawyers Association; Wage and Hour Committee member
13 and Class Action Committee member for the National Trial Lawyers; a member of the American Association
14 for Justice; and member of the Pound Civil Justice Institute. He was selected for 2018-20 by Super Lawyers
15 as a “Southern California Rising Star” for employment and labor law.

16 14. Crosner Legal, P.C. has obtained several multi-million dollar wage and hour class
17 action settlements while serving as lead class counsel in recent years, including but not limited to a
18 \$1.9 million wage and hour class action settlement in 2015 (*Smith v. Lux Retail North America, Inc.*,
19 Case No. 3:13-cv-01579-WHA (N.D. Cal.)); a \$4.1 million wage and hour class action settlement
20 in 2016 (*Aguirre v. Mariani Nut Company, Inc. et al.*, Case No. 34- 2016-00190252 (Sacramento
21 Cty. Super Ct.)); a \$1.35 million wage and hour class action settlement in 2017 (*Montelone v. Ocean*
22 *Cities Pizza, Inc.*, Case No. 56-2014-00458249 (Ventura Cty. Super. Ct.)), a \$1.8 million wage and
23 hour class action settlement in 2018 (*Latham v. K.W.P.H. Enterprises, Inc. dba American*
24 *Ambulance*, Case No. 17C-0162 (Kings Cty. Super Ct.)), a \$1.3 million wage and hour class action
25 settlement in 2019 (*Means, et al. v. AirGas USA, LLC*, Case No. 17-CV-2160 JGB (C.D. Cal.)), a
26 \$1.5 million wage and hour settlement in 2020 (*Babouchian, et al. v. Wyndham Vacation*
27 *Ownership, et al.*, Case No. CV18-14601 (San Diego Cty. Super. Ct.)), a \$1.15 million wage and
28 hour class action settlement in 2020 (*Buford v. Medical Solutions LLC*, Case No. 4:18-CV-04864-

1 YGR (N.D.Cal.)); a \$7.25 million wage and hour class action settlement in 2020 in *Avina, et al. v.*
2 *First Alarm Security & Patrol, Inc.*, Case No. 18CV323753 (Santa Clara Cty. Super Ct.); a \$2.2
3 million wage and hour class action settlement in 2021 (*Ghorchian, et al. v. West Hills Hospital, et*
4 *al.*, Case No. LS029737 (Los Angeles Cty. Super. Ct.)); a \$2.85 million wage and hour settlement
5 in 2021 (*Valencia v. The Original Mowbray's Tree Service, Inc.*, Case No. CIVDS1825518 (San
6 Bernardino Cty. Super. Ct.)); a \$1 million wage and hour class action settlement in 2022 (*Duong v.*
7 *Loan Factory, Inc.*, Case No. 21CV382467 (Santa Clara Cty. Super. Ct.)), a \$1.4 million wage and
8 hour class action settlement in 2023 in *Correa, et al. v. FedEx Supply Chain, Inc.*, Case No.
9 CIVDS2023369 (San Bernardino Cty. Super. Ct.), a \$2.38 million wage and hour class action
10 settlement in 2023 in *Michel, et al. v. Valley Thrift Store, Inc.*, Case No. 21STCV00925 (Los
11 Angeles Cty. Super. Ct.); a \$2.5 million wage and hour class action settlement in 2023 in *Jajuga v.*
12 *Pilot Travel Centers*, Case No. CIVDS1931464 (San Bernardino Cty. Super. Ct.); \$1.015 million
13 wage and hour class action settlement in 2023 in *Gotishan v. Kyo Autism Therapy*, Case No. CGC-
14 21-596378 (San Francisco Cty. Super. Ct); and a \$1.15 million wage and hour PAGA settlement in
15 2023 in *Vaughn v. Public Health Foundation Enters., Inc.*, Case No. 21STCV18512 (Los Angeles
16 Cty. Super. Ct.); a \$1.5 million wage and hour class action settlement in *McKinnie v. Iron Mountain*,
17 Case No. 21STCV05707 (Los Angeles Cty. Super. Court); a \$1.3 million wage and hour class action
18 settlement in *Ellsworth, et al. v. Hallcon*, Case No. 20STCV06618 (Los Angeles Cty. Super. Court);
19 a \$1.925 million wage and hour class settlement in 2024 in *Lo v. Cyberpower, Inc.*, Case No.
20 21STCV31479 (Los Angeles Cty. Super. Ct.); a \$1.19 million wage and hour class action settlement
21 in 2024 in *Herrera v. Signature Flight Support LLC*, Case No. 22STCV18367 (Los Angeles Cty.
22 Super. Ct.); a \$2.65 million wage and hour class action settlement in 2024 in *Shilevinatz v. Airport*
23 *Terminal Services*, Case No. CIVSB2229072 (San Bernardino Cty. Super Ct.); a \$1 million wage
24 and hour class action settlement in 2025 in *Hernandez v. YZER, LLC*, Case No. 23CV025345
25 (Alameda Cty. Superior Ct); a \$1.2 million PAGA-only settlement in 2025 in *Denault v. Lewis*
26 *Management Corp.*, Case No. CIVSB2107487 (San Bernardino Cty. Super. Ct.); a \$3.9 million
27 wage and hour class action settlement in 2025 in *Bolanos et al. v. Newport Fab*, Case No. 30-2022-
28 01280696-CU-OE-CXC (Orange Cty. Super. Ct.); and a \$5,093,537.50 wage and hour class action

1 settlement in 2025 in *Deaver, et al. v. Blue Diamond Growers*, Case No. 34-2022-00316490-CU-
2 OE-GDS (Sacramento Cty. Super. Ct.). a \$5,600,000 wage and hour class action settlement in 2025
3 in *Goodwin et al. v. Save Mart*, Case No. STK-CV-UOE-2023-0002062 (San Joaquin Cty. Super.
4 Ct.); a \$1,300,000 wage and hour class action settlement in 2025 in *Perez v. Qantas Airways Ltd*,
5 Case No. 23STCV18974 (Los Angeles Cty. Super. Ct.); a \$1,650,000 wage and hour class action
6 settlement in 2025 in *Williams et al v. Bluetriton Brands* Case No. CIVSB2325920 (San Bernardino
7 Cty. Super. Ct.); a \$2,038,000 PAGA settlement in 2026 in *Zermeno, et al. v. Remington Lodging*,
8 *et al.*, Case No. RG20069869 (Alameda Cty. Super. Ct.); and a \$1,500,000 wage and hour class
9 action settlement in 2026 in *Ngo, et al. v. Lazer Spot, Inc.*, Case No. CIVSB2228377 (San
10 Bernardino Cty. Super. Ct.).

11 **BACKGROUND/LITIGATION HISTORY**

12 15. Henkels & McCoy West is a leading utility construction firm that operates
13 throughout North America, including California. Plaintiff Ishmael Cruz worked for H&M in
14 Southern California as a Maintenance Worker from August 13, 2013 until he was terminated on July
15 12, 2024. As a maintenance worker, Plaintiff Cruz was responsible for completing facility repairs
16 at different job sites throughout Southern California. Plaintiff Prince Ray worked for H&W from
17 November 2019 to January 2025, in the County of San Diego as a Gas Technician. As a Gas
18 Technician, Plaintiff Ray was responsible for installing gas utility service lines to residential
19 communities and for commercial use.

20 16. On November 5, 2024, after notice to the LWDA and Defendants, and exhausting
21 administrative remedies, Plaintiff Cruz filed a PAGA action against Defendants in Los Angeles
22 County Superior Court, which was assigned Case No. 24STCV29074. The Complaint subsequently
23 was amended to add individual causes of action asserting Plaintiff Cruz experienced harassment and
24 wrongful constructive termination. On November 7, 2024, Plaintiff Cruz filed a separate class
25 complaint in Los Angeles County Superior Court, Case No. 24STCV29321, alleging claims for (1)
26 failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4)
27 rest period violations, (5) wage statement violations, (6) waiting time penalties, (7) failure to
28 reimburse business and expenses, and (8) unfair competition.

17. On December 6, 2024 Plaintiff Ray filed a class action complaint in San Diego Superior Court, Case No. 24CU026747C, alleging claims for (1) failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) failure to reimburse business and expenses, and (10) unfair competition. On December 13, 2024, Plaintiff Ray amended his complaint to add claims for civil penalties under the Private Attorneys General Act, after notice to the LWDA and Defendants, and exhausting administrative remedies.

18. In June 2025, the Parties participated in a global mediation with Steve Mehta, Esq., respected wage and hour class action mediator. The mediation lasted a full day and, while the Parties did not settle at the mediation, they ultimately agreed to a second mediation with Mr. Mehta in February 2026. After the second mediation the Parties reached agreement on all major issues to resolve the matters on a global basis. They then formally reduced the proposed settlement to the Agreement now before the Court for approval. The Agreement meets the requirements in the LASC Checklist for Preliminary Approval. The Agreement has also been uploaded to the LWDA.

19. Finally, in order to fully effect a global settlement of the above cases, the Parties stipulated to file a First Amended Complaint in this matter to include all plaintiffs and claims alleged in complaints at issue. Plaintiffs filed the operative FAC on June 22, 2026 and the Ray Action was dismissed on July 24, 2026.

INVESTIGATION

20. Prior to the mediations, Defendants provided Plaintiffs with extensive informal discovery, including Plaintiffs' personnel, time, and payroll records, time records and payroll records for the entire population of Settlement Class Members, wage statement exemplars, Defendants' employee handbooks, including policies and procedures regarding the payment of wages, the provision of meal and rest breaks, timekeeping policies (including recording hours), issuance of wage statements, and termination wages, as well as information regarding the number of putative Settlement Class Members who are current and former employees, sample arbitration agreements, the number of PAGA Aggrieved Employees, the number of workweeks throughout the

1 Class Period, and the number of pay periods throughout the PAGA Period. From this information,
2 Plaintiffs were able to analyze Defendants' liability for the claims asserted in this case and, with the
3 assistance of Plaintiffs' experts at Berger Consulting Group, the potential exposure and damages.

4 21. Based on this informal discovery, Plaintiffs contend the Settlement Class Members
5 were not paid all minimum or overtime wages, did not receive proper expense reimbursement, were
6 not provided with legally compliant meal and rest periods, did not receive compliant wage
7 statements, and did not receive all wages due on separation of employment. In considering the
8 reasonableness of the proposed settlement, Plaintiffs considered each of Defendants'
9 counterarguments, which sharply contested Plaintiffs' claims. Plaintiffs' Counsel weighed the
10 strength of Defendants' arguments, including the risks posed by the various arbitration agreements,
11 the risks of prevailing in the underlying individual arbitrations and on the merits of the representative
12 claims, and determined that the proposed settlement is in the best interests of the Settlement Class.
13 Although remaining confident in the strength of their claims, all these factors led Plaintiffs to
14 discount the exposure analysis, discussed in detail below.

15 **TERMS OF THE PROPOSED SETTLEMENT**

16 22. The Parties have agreed (subject to Court approval) that this action be settled and
17 compromised for the non-reversionary sum of \$1,775,000.00 ("Gross Settlement Amount" or
18 "GSA"). (Agreement, § 3.1.) The GSA includes: (a) attorney's fees of up to \$591,666.67 (1/3 of the
19 GSA) to compensate Class Counsel for work already performed and all work remaining to be
20 performed (Agreement, § 3.2.2.) (additionally, Class Counsel will share in any fee award on a 50/50
21 basis, and both Plaintiffs have been informed of the proposed fee split and consented thereto in
22 writing); (b) actual litigation expenses not to exceed \$40,000.00 (Agreement, § 3.2.2.);
23 (c) Administration Costs to CPT Group, Inc. in an amount not to exceed \$30,000 (Agreement, §
24 3.2.3.); (d) Enhancement Awards to Plaintiffs in an amount not to exceed \$10,000 each (\$20,000
25 total) (Agreement, § 3.2.1.) and (e) PAGA penalties to the LWDA of \$48,750 (which is 65% of the
26 \$75,000.00 PAGA Payment, with the remaining 35% or \$26,250.00 to the Aggrieved Employees)
27 (Agreement, § 3.2.5.). Employer-side payroll taxes (including FICA, FUTA, and SDI) will be paid
28 by Defendants separate and apart from the GSA. (Agreement, § 3.1.)

1 23. After all Court-approved deductions from the GSA, it is estimated that \$1,018,333.33
2 (“Net Settlement Amount” or “NSA”), less all applicable employee-side taxes, will be distributed
3 to the estimated 3,300 Settlement Class Members, with an average individual settlement amount of
4 around \$308. Additionally, it is estimated that the 35% PAGA Payment (\$26,250.00) will be
5 distributed to the estimated 1,932 Aggrieved Employees, resulting in an average payment of \$13.59
6 per Aggrieved Employee.

7 24. Subject to the terms and conditions of the Settlement, CPT will calculate and issue
8 Individual Settlement Payments to Participating Settlement Class Members based on the following
9 formula: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
10 Participating Settlement Class Members during the Class Period and (b) multiplying the result by
11 each Participating Settlement Class Member’s Workweeks. (Agreement, § 3.2.4.)

12 25. Additionally, CPT will calculate and issue payments to Aggrieved Employees based
13 on the following formula: (a) dividing the amount of the Aggrieved Employees’ 35% share of PAGA
14 Penalties (\$26,250.00) by the total number of PAGA Period Pay Periods worked by all PAGA
15 Aggrieved Employees during the PAGA Period and (b) multiplying the result by each PAGA
16 Aggrieved Employee’s PAGA Period Pay Periods. Therefore, the value of each PAGA Aggrieved
17 Employee’s share of the PAGA Payment ties directly to the amount of pay periods that he or she
18 worked. (Agreement, § 3.2.5.1.)

19 26. The number of pay periods and weeks worked by each Participating Class Member
20 and PAGA Aggrieved Employee will be derived from Defendants’ records. Each Class Member’s
21 gross settlement award will be apportioned as follows: 20% wages and 80% penalties and interest.
22 CPT will be responsible for issuing Form W-2s for amounts deemed “wages” and Form 1099s for
23 the portions allocated to penalties and interest. (Agreement, §§ 3.2.4.1, 3.2.5.1.)

24 27. Settlement checks must be cashed or deposited within 180 days after the checks are
25 mailed to them. (Agreement, § 4.3.1.) Settlement checks must be cashed or deposited within 180
26 days after the checks are mailed to them. (Agreement, § 4.4.1.) In the event a settlement check
27 remains uncashed, such uncashed funds shall be transmitted to the State Controller’s Office
28 Unclaimed Property Fund in the name of the Participating Class Member and/or PAGA Member

1 for later claim. (Agreement, §§ 4.3.3, 4.3.4.) Because this lawsuit benefits Class Members/PAGA
2 Members who release claims by participating in the lawsuit, the funds representing their settlement
3 payments should remain their property. By sending the uncashed funds to the Unclaimed Property
4 Fund in the name of the Class Member/PAGA Member, he or she can claim his or her property at a
5 future date convenient to the Class Member. Therefore, there will be no unpaid residue or unclaimed
6 or abandoned Class Member funds under California Code of Civil Procedure section 384(a).

7 28. Within 21 days after entry of the Preliminary Approval Order, Defendant will
8 provide CPT with the Class List, containing each Class Member's first and last name, last known
9 mailing address, Social Security number, total number of weeks worked during the Class Period,
10 and total number of pay periods worked during the PAGA Period. (Agreement, § 7.4.1.) Prior to
11 mailing, CPT will perform a search for updated addresses in the National Change of Address
12 Database. (Agreement, § 7.4.2.) CPT will use the NCOA and skip traces to attempt to find current
13 addresses for any Notice returned as undeliverable. For any re-mailed Notice, CPT will extend the
14 Class Member's Response Deadline by 14 calendar days. If CPT is unable to obtain a better address
15 for a Class Member, the Notice will be deemed undeliverable. Within 15 days after receipt of the
16 class data, CPT will mail via regular First-Class mail the Notice to all Settlement Class Members.
17 (Agreement, § 7.4.3.)

18 29. The contents of the Notice are consistent with the terms of the Agreement. The
19 Notice informs Settlement Class Members how and when to request exclusion from or object to the
20 settlement and of their estimated payment amount which they will automatically receive a settlement
21 payment if they do nothing. The Notice further advises Settlement Class Members how to obtain
22 documents filed in the case from the Court, CPT or Class Counsel, how to check the Court's website
23 to find out whether the Final Approval hearing date/location has been changed, directs the Class
24 Member to CPT's website and the Court's website to find out whether final judgment has been
25 entered.

26 30. Settlement Class Members will have 45 days from the initial mailing of the Notice
27 to respond to the settlement by submitting a challenge to the number of weeks or pay periods
28 attributed to them, submitting an objection, or requesting to be excluded from the settlement and the

1 consequences of each choice. (Agreement, § 1.49.) Settlement Class Members can submit a written
2 request for exclusion from the settlement by mailing, faxing, or emailing a written request, including
3 his or her name, address, and phone number, and a statement demonstrating his or her intent to opt
4 out of the settlement. (Agreement, § 7.5.)

5 31. The Notice also informs the Class Member/PAGA Aggrieved Employees that they
6 can dispute the number of weeks/pay periods allotted to them to calculate their settlement payments
7 by contacting CPT before the Response Deadline and include any documentation supporting the
8 dispute. CPT will investigate the dispute, request additional information from Defendants, and make
9 a final decision as to the number of eligible work weeks/pay periods. (Agreement, § 7.6.)

10 32. Participating Class Members and Aggrieved Employees also can object to the
11 settlement in writing via mail or fax by submitting a document with their name, the words “Notice
12 of Objection” or “Formal Objection” and a description of the arguments supporting their objection.
13 Settlement Class Members are informed that the Court will hear any objections from any Class
14 Member who attends the Final Approval Hearing. (Agreement, § 7.7.)

15 33. Defendants shall fund the Gross Settlement Amount within 14 days of the Effective
16 Date. (Agreement, § 4.2.) CPT shall disburse all payments under this Settlement within 10 days
17 after Defendants fund the Gross Settlement Amount. (Agreement, § 4.3.)

18 34. Upon Defendants’ payment funding the Gross Settlement Amount, Participating
19 Settlement Class Members shall forever release the Released Parties for the Released Claims for the
20 Class Period. (Agreement, § 5.3.) Likewise, upon Defendants’ payment funding the GSA, Plaintiffs,
21 the PAGA Aggrieved Employees, and the State of California shall forever release the Released
22 Parties for the PAGA Released Claims for the PAGA Period. (Agreement, § 5.4.)

23 35. As discussed below, Plaintiffs’ Counsel is convinced that the proposed settlement is
24 in the Settlement Class Members’ best interests based on the negotiations and a detailed knowledge
25 of the issues present in this action. The length and risks of continued litigation that affect the value
26 of the claims were all carefully weighed. In addition, the affirmative defenses asserted by
27 Defendants, the uncertainty of class certification, the difficulties of complex litigation, the lengthy
28

1 process of establishing specific damages and various possible delays and appeals were also carefully
2 considered by Plaintiffs' Counsel in arriving at the proposed settlement. (Brouillette Decl., ¶ 34.)

3 **The Settlement is Fair and Reasonable Based on the Strengths of Plaintiff's Case and the**
4 **Risks and Costs of Further Litigation**

5 36. The proposed settlement was reached as a result of arm's-length negotiations.
6 Though cordial and professional, the settlement negotiations have been, at all times, adversarial and
7 non-collusive in nature. Following mediation, Counsel for the Parties further negotiated regarding
8 the settlement terms memorialized in the Agreement. While Plaintiffs believe in the merits of their
9 case, they also recognize the inherent risks of litigation and understand the benefit of Settlement
10 Class Members receiving significant settlement funds immediately as opposed to risking continued
11 litigation in achieving class certification, the merits of the case before and after trial, the damages
12 awarded and/or an appeal that can take several more years to litigate.

13 37. The Parties thoroughly investigated and evaluated the factual strengths and
14 weaknesses of their arguments before reaching the proposed settlement, and engaged in sufficient
15 investigation, research and discovery, referenced above, to support the settlement. The proposed
16 settlement was only possible following significant analysis and evaluation of Defendants' relevant
17 policies and procedures, as well as the data it produced for the putative Class, which permitted
18 Plaintiffs' Counsel and experts to engage in a comprehensive analysis of liability and potential
19 damages to prepare for mediation.

20 38. The proposed settlement was only possible following significant analysis and
21 evaluation of Defendants' relevant policies and procedures, as well as the data that Defendants
22 produced for the Class. This permitted Plaintiffs' Counsel to engage in a comprehensive analysis of
23 liability and potential damages. The discovery conducted resulted in Plaintiffs' central theories of
24 liability, which are based on Plaintiffs' claims that Defendants failed to provide compliant meal and
25 rest periods, failed to pay all minimum and overtime wages at the correct rate, failed to provide
26 accurate, itemized wage statements and failed to pay all wages due on separation of employment.
27 On the other hand, Defendants maintained that Plaintiffs and the majority of the Class Members are
28 union employees and that the applicable CBAs would substantially impact Plaintiffs ability to

1 pursue their claims due to federal preemption and arbitration issues. Defendants argued strongly
2 that the discovery produced demonstrates they would succeed at both class certification and on the
3 merits.

4 39. Plaintiffs believe this case is suitable for certification on the claimed basis that there
5 are company-wide policies that Plaintiffs contend violate California law and uniformly affect the
6 Settlement Class Members. However, Defendants' counterarguments raise uncertainties with
7 respect to both class certification and success on the merits. As the California Supreme Court
8 emphasized in *Sav-On v. Superior Court* (2004) 34 Cal.4th 319 (2004), class certification is always
9 a matter of the trial court's sound discretion, and decisions following *Sav-On* have reached different
10 conclusions with respect to certification of wage and hour claims. While remaining confident in the
11 strengths of their claims, all of these factors led Plaintiffs to discount the following maximum
12 potential damage claims.

13 40. Defendants provided Plaintiffs with class-wide data from which Plaintiffs' Counsel
14 could extrapolate a damage analysis in preparation of mediation. Per Defendants there are about
15 3,300 putative class members and 187,150 work weeks in the Class Period, and approximately 1,932
16 Aggrieved Employees and 167,003 pay periods within the PAGA Period.

17 41. On their unpaid wage claims, Plaintiffs assert Defendants failed to pay for all hours
18 worked and allege they regularly required employees to work off the clock. Plaintiff allege, among
19 other things, that they sometimes worked through lunch breaks (if for example a load of asphalt or
20 cement had to be finished), had to perform post-shift work "off the clock" after the scheduled end
21 of a shift, and to attend 30 minute pre-shift meetings twice each month. Plaintiffs estimated class
22 members worked at least two hours of off the clock work per week.

23 42. In response Defendants argued their timekeeping and payroll policies accurately
24 tracked and paid for all hours worked at the correct hourly rates. They further argued their policies
25 strictly prohibited "off the clock" work, and contend that if any such work occurred it was
26 aberrational and done without management's authorization or knowledge. Defendants likewise
27 argued these issues would render the claims uncertifiable since innumerable individualized inquiries
28 would be necessary to determine if and why a class member worked off the clock. Without

1 considering any of Defendants' defenses to certification or on the merits, Plaintiffs estimate around
2 \$21,503,535 in unpaid wages for off the clock work. (187,150 work weeks x 2 hours/week x
3 \$57.45).

4 43. Plaintiffs next contend Defendants failed to provide legally compliant meal and rest
5 breaks. First, Plaintiffs allege that due to the high demands of the job, the class members regularly
6 experienced non-compliant missed, late, short, and interrupted meal periods. Plaintiffs further allege
7 H&M used an "auto-deduct policy" whereby compliant meal periods were often reported regardless
8 of whether the meal break occurred or was fully compliant. Per Plaintiffs, class members often
9 experienced missed or otherwise non-compliant meal periods due to meeting project goals and
10 working with sensitive materials, like asphalt. For example, Plaintiffs and the class members would
11 be told they needed to complete a set amount of footage by the end of the day often forcing them to
12 work through their unpaid meal period in order to meet the goal. Similarly, concrete had to be laid
13 within 1 hour of the truck arriving to the job site. Plaintiffs argued these factors resulted in numerous
14 "de facto" meal period violations for missed, untimely, and short meal periods. Plaintiffs estimate
15 about \$10,751,767.50 in damages for meal period violations assuming just one violation per week
16 (187,150 work weeks x \$57.45 x 1 hour/week), without accounting for any of Defendants' defenses
17 to certification or on the merits.

18 44. On the rest break claims, Plaintiffs argued Defendants failed to maintain a code-
19 compliant rest break policy that provided the requisite number of rest breaks per shift. Because the
20 applicable CBA's do not provide equivalent protection of the wage order's rest break requirements,
21 the Wage Order will apply. Per Plaintiffs, the two boxes for a first and second rest break on each
22 timesheet were checked automatically by supervisors regardless of whether the break took place or
23 was compliant. Further, Defendants' timesheet "Instructions" language is non-compliant in that it:
24 (1) only provides for two rest breaks per shift, (2) does not provide the necessary 'or major fraction
25 thereof' language for shift lengths that are more than 6 and less than 8 hours, and more than 10 and
26 less than 12 hours, and (3) does not provide for a third rest break for any shift over 10 hours. Without
27 accounting for any of Defendants' defenses, and assuming employees missed just one rest break per
28

1 week to which they were entitled, Defendants' exposure is \$10,751,767.50 in class damages
2 (187,150 work weeks x \$57.45 x 1 hour/week).

3 45. Defendants deny Plaintiffs' contentions, and argued it made meal and rest breaks
4 available to Settlement Class Members in compliance with California law and their fully compliant
5 meal and rest break policies. Defendants contended Class Members were provided with all required
6 breaks, or that they paid appropriate meal period premiums on the rare occasions a violation did
7 occur. Defendants further argued Plaintiffs' meal and rest break claims are not susceptible to
8 common proof, as the claims would require individualized inquiry, including whether there was an
9 unlawful companywide policy, whether employees had the opportunity to take meal and rest
10 periods, whether they voluntarily chose to forego their meal and rest periods, and whether
11 Defendants ever prevented them from taking meal and rest periods. Accordingly, Defendants
12 contend these claims are vulnerable to a ruling that class treatment is not appropriate.

13 46. For their expense reimbursement claims, Plaintiffs alleged H&W had a policy and
14 practice of requiring class members use their personal cell phones for business purposes.
15 Specifically, Plaintiffs contended class members were required to use their personal cell phones to
16 communicate with each other and their supervisors, were put in a group chat to discuss policies,
17 scheduling and other work-related matters, and to communicate with each other throughout the day.
18 On the other hand Defendants argued their policies prohibited use of personal phones while working
19 and not on a break, and that other means of communicating were available at job sites, such as
20 company-issued cell phones. Thus, per Defendants any use of personal phones would have been
21 purely for personal convenience and not reimbursable as a "reasonable" or "necessary" business
22 expense under Labor Code section 2802. Here, Plaintiffs estimated liability at about \$935,750
23 (187,150 work weeks * \$5/week).

24 47. On the alleged violations of Labor Code § 226 (wage statement violations), Plaintiffs
25 argued Defendants committed direct violations by failing to provide class members with wage
26 statements in full compliance with the law. Here, Plaintiffs contended Defendants failed to provide
27 employees with the right to receive written paper wage statements and further did not provide
28 employees with the ability to easily access their payroll information and convert electronic

1 statements into hard copies at no expense to employees. Plaintiffs pointed to guidance from the
2 Division of Labor Standards Enforcement, which provides in an Opinion Letter and Plaintiffs
3 contended Defendants' failure to make paper wage statements available, and failure to provide easy
4 access to electronic statements, resulted in violations of Section 226 and potential statutory penalties
5 of about \$6,896,000 (lesser of [98,756 pay periods (in 1 year SOL) x 100] – [50 x 1,724] =
6 \$9,789,400 or \$4,000 x 1,724 = \$6,896,000).

7 48. Plaintiffs also alleged direct violations of Labor Code Sections 201 *et seq.* and that
8 Defendants' policies resulted in the deliberate failure to pay final wages in a timely fashion. Here,
9 Plaintiffs emphasized that, as a matter of policy and practice, Defendants mailed former employees
10 their final paychecks and did not include any waiting time penalties to account for the amount of
11 time the paychecks spent in the mail.

12 49. Plaintiffs also alleged derivative violations of Labor Code sections 226 and §§ 201-
13 203, in addition to the alleged facial violations above. As far as the derivative claims, they will rise
14 or fall along with the primary unpaid wage claims, in addition to being subject to “good faith” and
15 other defenses available to Defendants. Without accounting for any of Defendants'
16 counterarguments, Plaintiffs estimated the waiting time penalties at about \$33,008,472 (2,394
17 former employees x 30 days’ x 8 hours x \$57.45).

18 50. As far as potential PAGA liability, the theoretical civil penalties likely exceed \$71
19 million should Plaintiffs prevail on all claims and establish violations of the multiple Labor Code
20 sections at issue, and recover the maximum penalty for every single pay period at issue. As with the
21 class claims, Plaintiffs discounted the potential PAGA penalties based on Defendants’ various
22 defenses on the merits and also accounted for the Court’s wide discretion to reduce such penalties,
23 or to decline to award penalties at all. Accordingly, the Parties allocated \$75,000 to PAGA penalties.
24 Plaintiffs submit this amount is reasonable under the circumstances and in line with comparable
25 settlements in other wage and hour class actions in California. Additionally, the LWDA has been
26 informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as
27 necessary.

1 51. Thus, Plaintiffs and their counsel discounted the value of the class claims consistent
2 with the risks discussed above, as well as the potential applicability of arbitration agreements signed
3 by many Settlement Class Members. They carefully weighed the likelihood of the class receiving
4 substantially greater benefit if the litigation continued, and concluded – in light of these very real
5 and substantial risks – settlement on the proposed terms and without prolonged and costly litigation
6 was in the best interests of the class. The overall \$1,775,000 recovery represents a significant
7 percentage of Defendants’ potential exposure and, given Defendants’ multi-layered defenses and all
8 other potential risks of continued litigation, a total recovery for the class of \$1,775,000, which will
9 result in average award of some \$308 per class member, plus additional sums under PAGA, is a
10 significant result well within the range of reasonableness considering all potential outcomes, and it
11 will provide direct monetary awards to all Settlement Class Members without further delay.

12 **Provisional Class Certification Should be Granted**

13 52. First, the class is both sufficiently numerous, consisting of approximately 3,300
14 individuals, and ascertainable by reference to Defendants’ personnel and payroll records.

15 53. Plaintiffs contend their claims all are typical of the Settlement Class Members’
16 claims because they arise from the same factual basis and are based on the same legal theories
17 applicable to the Settlement Class Members. Plaintiffs further contend Defendants’ policies applied
18 to all Settlement Class Members and each Class Member is challenging the same policies and
19 practices. As such, the typicality requirement is satisfied for purposes of settlement.

20 54. Plaintiffs both have been and will continue to be committed to vigorously
21 prosecuting this case, and they have no conflicts of interest with the Class. Further, their counsel are
22 experienced class action counsel. For these reasons, Plaintiffs contend they are adequate class
23 representatives.

24 55. Common questions of law and fact predominate – particularly for purposes of a
25 settlement class – as the Settlement Class Members all were subject to the same meal and rest break
26 policies and alleged “de facto” policies resulting in meal period violations, and similarly subject to
27 the same alleged time keeping policies that resulted in off the clock work. Since the focus of the
28 claims against Defendants concern the legality of common policies applied uniformly to the entire

1 class, common issues predominate over individualized inquiries concerning liability. For instance,
2 Defendants' meal and rest break policy is company-wide policy applied equally and consistently to
3 all Settlement Class Members, and this policy is either compliant with California law or it is not.
4 Regardless of that determination, it will decide liability for all Settlement Class Members one way
5 or another.

6 56. Resolving this matter as a class action is superior to other available means for the
7 fair and efficient adjudication of this controversy for multiple reasons, including inter alia: (a)
8 individual joinder of all members of the class is impractical, (b) class action treatment will permit a
9 large number of similarly situated persons to resolve their common claims in a single forum
10 simultaneously, efficiently, and without unnecessary duplication of effort and expense; and (c) the
11 damages suffered by many of the individual class members are relatively small and the expenses
12 and burden of individual litigation would make it difficult or impossible for them to seek redress on
13 their own.

14 **CPT Should be Appointed as the Settlement Administrator**

15 57. The Parties agreed to use CPT Group, Inc. as the Settlement Administrator in this
16 matter. (Agreement, § 7.1.) CPT is highly qualified and experienced as a settlement administrator,
17 committed to the security of data (having experienced no data breaches at all), carries insurance for
18 the theft of money or data, and has no relationship with Counsel.

19 **Notice to Settlement Class Members Complies With California Rule of Court 3.769(f)**

20 58. The proposed Notice meets all of these requirements, as it advises Settlement Class
21 Members of their rights to participate in the settlement, how to and when to object to or request
22 exclusion from the settlement, and the date, time, and location of the final approval hearing.
23 Settlement Class Members need not do anything to receive their *pro rata* share of the settlement.

24 59. For all the foregoing reasons, I respectfully request that the Court approve the
25 settlement in all particulars.

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1 I declare under penalty of perjury under the laws of the State of California that the foregoing
2 is true and correct. Executed this 21st day of August 2026, at Los Angeles, California.

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5 Brandon Brouillette
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Exhibit 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Ismael Cruz and Prince Ray (“Plaintiffs”) and Defendants Henkels & McCoy West, LLC and Henkels & McCoy, Inc. (“Defendants”). This Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1 “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee 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 or Aggrieved Employees.
- 1.2 “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.
- 1.3 “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.4 “Aggrieved Employees” means all current and former hourly-paid or non-exempt employees who worked for Defendants within the State of California at any time during the PAGA Period.
- 1.5 “Class” means all current and former hourly-paid or non-exempt employees who worked for Defendants within the State of California at any time during the Class Period.
- 1.6 “Class Counsel” means Crosner Legal and Ferraro Vega Employment Lawyers.
- 1.7 “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees, up to one-third of the Gross Settlement Amount, subject to the terms of this Agreement and the Court’s approval.
- 1.8 “Class Counsel Litigation Expenses” means the amount payable to Class Counsel from the Gross Settlement Amount as reimbursement for their reasonable and verified expenses, respectively, incurred to prosecute the Action, subject to the Court’s approval.
- 1.9 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.10 “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).
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Covered Employees in English with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period between November 3, 2021, and July 17, 2026.
- 1.13 “Class Representative” means Ismael Cruz and Prince Ray, who are the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as class representatives.
- 1.14 “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.
- 1.15 “Class Settlement” means the portion of the Settlement allocated to the resolution of the class action claims.
- 1.16 “Court” means the Superior Court of California, County of Los Angeles.
- 1.17 “Covered Employees” means Aggrieved Employees and Class Members.
- 1.18 “Cruz Class Action” means Plaintiff Ismael Cruz’s lawsuit alleging wage and hour class violations against Defendants, captioned *Cruz v. Henkels & McCoy West LLC, et al.*, initiated on November 11, 2024, and pending in the Los Angeles Superior Court.
- 1.19 “Cruz PAGA Action” means Plaintiff Ismael Cruz’s lawsuit alleging wage and hour PAGA violations against Defendants, captioned *Cruz v. Henkels & McCoy West LLC, et al.*, initiated on November 5, 2024, and pending in the Los Angeles Superior Court.
- 1.20 “Defendants” means Henkels & McCoy West, LLC and Henkels & McCoy, Inc.
- 1.21 “Defense Counsel” means Polsinelli LLP.
- 1.22 “Effective Date” means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.23 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.24 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.25 “Gross Settlement Amount” means \$1,775,000.00, which is the total amount Defendants agree to pay under the Settlement, subject to Section 4.1. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, and the Administration Expenses Payment.
- 1.26 “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.
- 1.27 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% (\$26,250.00) of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.28 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.29 “LWDA” means the California Labor and Workforce Development Agency.
- 1.30 “LWDA PAGA Payment” means the 65% (\$48,750.00) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.32 “Non-Participating Class Member” means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.33 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.34 “PAGA Notices” means Plaintiff Cruz’s letter to Defendants and the LWDA and Plaintiff Ray’s letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.35 “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

- 1.36 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (i.e., \$75,000.00), allocated 35% to the Aggrieved Employees (\$26,250.00) and 65% to the LWDA (\$48,750.00) in settlement of PAGA claims.
- 1.37 “PAGA Period” means the period between August 30, 2023, and July 17, 2026.
- 1.38 “PAGA Settlement” means the portion of the Settlement allocated to the resolution of the claims under PAGA.
- 1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.
- 1.40 “Plaintiff Cruz” means Ismael Cruz, the named plaintiff in the Cruz Action.
- 1.41 “Plaintiff Ray” means Prince Ray, the named plaintiff in the Ray Action.
- 1.42 “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.
- 1.43 “Ray Action” means Plaintiff Prince Ray’s lawsuit alleging wage and hour violations against Defendants, captioned *Ray v. Henkels & McCoy West, LLC*, initiated on December 6, 2024, and pending in the San Diego Superior Court.
- 1.44 “Released Class Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.45 “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.46 “Released Parties” means Defendants and any of their respective current or former directors, officers, members, administrators, agents, insurers, beneficiaries, trustees, employee benefits plans, representatives, servants, employees, attorneys, parents, subsidiaries, affiliates, divisions, branches, units, shareholders, investors, contractors, successors, joint venturers, predecessors, related entities, and assigns, and all other individuals and entities acting on their behalf.
- 1.47 “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 and including the information specified in Paragraph 7.5.1.
- 1.48 “Response Deadline” means forty-five (45) days after the Administrator mails the Class Notice and shall be the last date on which Covered Employees may: (a) fax, email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice or to the number of PAGA Pay Periods allocated to the Aggrieved Employee. Covered Employees to whom Class Notices are resent after having been returned undeliverable to the Administrator

shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline.

- 1.49 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.50 “Workweek” means any week during which a Class Member worked for Defendants for at least one day during the Class Period.

2. RECITALS.

- 2.1 On August 30, 2024, Plaintiff Cruz timely sent notice to the Labor and Workforce Development Agency (“LWDA”) of his intent to pursue a representative action pursuant to PAGA, on behalf of himself and the State of California, as well as on behalf of a group of aggrieved employees that included all Defendants’ non-exempt employees in California during the PAGA statute of limitations period.
- 2.2 On October 7, 2024, Plaintiff Prince Ray provided notice of his PAGA claims to the LWDA.
- 2.3 On November 5, 2024, Plaintiff Cruz filed a PAGA action (the “Cruz PAGA Action”) against Defendants in Los Angeles County Superior Court, which was assigned Case No. 24STCV29074.
- 2.4 On November 7, 2024, Plaintiff Cruz filed a class complaint (the “Cruz Class Action”) against Defendants in Los Angeles County Superior Court alleging claims for (1) failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) wage statement violations, (6) waiting time penalties, (7) failure to reimburse business expenses, and (8) unfair competition. The Cruz Class Action is pending in Los Angeles Superior Court, Case No. 24STCV29321.
- 2.5 On December 6, 2024, Plaintiff Ray filed a class action complaint (the “Ray Action”) in San Diego Superior Court alleging claims for (1) failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) failure to reimburse business expenses, and (10) unfair competition. On December 13, 2024, Plaintiff Ray amended his complaint to add claims for civil penalties under the Private Attorneys General Act. The Ray Action was pending in San Diego Superior Court, Case No. 24CU026747C.
- 2.6 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.
- 2.7 On February 10, 2026, the Parties participated in an all-day mediation presided over by private mediator Steve Mehta which led to this Agreement.

- 2.8 On June 22, 2026, as part of the settlement, Plaintiffs filed a First Amended Complaint in the Cruz PAGA Action to add Plaintiff Ray and his claims. The First Amended Complaint in the Cruz PAGA Action is the operative complaint (the “Operative Complaint”). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.9 On July 24, 2026, the Ray Action was dismissed.
- 2.10 Before mediation and negotiating the Settlement, Plaintiffs obtained, through informal discovery, both Plaintiffs’ pay and time records as well as a summary of data points related to the Participating Class Members and Aggrieved Employees. Plaintiffs’ 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*”).
- 2.11 The Court has not granted class certification.
- 2.12 The Parties, Class Counsel and Defense Counsel represent they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Defendants shall pay \$1,775,000.00 and no more (except as provided in Section 4.1 below) as the Gross Settlement Amount, and shall separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 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 Plaintiffs: Class Representative Enhancement Payments of not more than \$20,000.00 (\$10,000.00 each) (in addition to any Individual Class Payment, and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members) subject to Court approval. Defendants will not oppose Plaintiffs’ request for Class Representative Enhancement Payments that do not exceed this amount. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for any Class Representative Enhancement Payments. If the Court approves Class

Representative Enhancement Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Enhancement Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Enhancement Payments.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third, which is currently estimated to be \$591,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts, except as contemplated in Section 4.1. As part of the Motion for Final Approval, Plaintiffs and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.
- 3.2.3 To the Administrator: An Administration Expenses Payment not to exceed \$30,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than \$30,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment, which the Administrator shall calculate by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1 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. The remaining 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 \$75,000.00 to be paid from the Gross Settlement Amount, with 65% (\$48,750.00) allocated to the LWDA PAGA Payment and 35% (\$26,250.00) 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 (\$26,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 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 Size Estimates and Escalator. Based on a review of its records to date, Defendants represented that there are 3,300 Class Members who collectively worked a total of 187,150 Workweeks, and 1,932 Aggrieved Employees who worked a total of 167,003 PAGA Pay Periods at the time of settlement. If the total number of Workweeks or PAGA Pay Periods exceeds their respective estimates above by 10% or more (e.g., Workweek count x 1.1) for the applicable Class Period or PAGA Period, Defendants shall have the option to either (1) increase the Gross Settlement Amount by the percentage in excess of the 10% threshold (e.g., if there is a 13% increase in workweeks worked during the Class Period, Defendants will increase the Gross Settlement Amount by 3%); or (2) cut off the end of the Class Period or PAGA Period as of the date that the total Workweeks worked during the Class Period is 205,865 or the total PAGA Pay Periods worked during the PAGA Period is 183,703.

- 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.3 Payments from the Gross Settlement Amount. Within ten (10) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.3.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.3.2 The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.
- 4.3.3 For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds

represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member.

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

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and each of their former and present spouses, attorneys, successors, assigns, legatees, heirs, and personal representatives waive, release, forever discharge, and will not pursue any manner of action, cause of action, claim, demand, right, suit, obligation, debt, contract, agreement, promise, liability, or remedy of any nature whatsoever (including without limitation any damages, charges, penalties, losses, costs, expenses, and attorneys' fees), whether in law or in equity, under contract, tort or any other subject area, or under any statute, rule, regulation, order, or law, whether federal, state, or local, on any grounds whatsoever, arising out of or relating to any acts, facts, omissions or obligations, whether known or unknown, whether foreseen or unforeseen, fixed or contingent, against the Released Parties.

Plaintiffs' Release includes, but is not limited to: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act, the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Services Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for

failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs.

However, this release shall not apply to claims or actions to enforce this Agreement, or to any claims or actions for vested benefits, long term disability insurance benefits between Plaintiffs and the insurance company subject to the terms of the plan, for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that cannot be waived or released as a matter of law.

- 5.2 5.2.1 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, upon Plaintiffs' receipt of Plaintiffs' 1542 Waiver Payments, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

- 5.3 Release by Participating Class Members: All Participating Class Members, their attorneys, successors, assigns, legatees, heirs, and personal representatives release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the operative pleadings in the Cruz PAGA Action, Ray Action and Cruz Class Action, including but not limited to claims for rest periods; meal periods; minimum wages; overtime wages; pay for all hours worked, including but not limited to alleged off-the-clock work; calculation of the regular rate and/or overtime/double time pay, including alleged non-inclusion of all forms of compensation required to be included in such calculation; timeliness of wages; payment of wages at separation of employment; waiting time penalties; itemized wage statements and/or accuracy of wage statements; recordkeeping; unfair competition; reimbursement of business expenses; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; restitution for any or all of the foregoing; any penalties, including statutory and civil penalties, related to any or all of the foregoing; attorneys' fees or costs related to any or all of the foregoing; interest related to any or all of the foregoing; and/or any other damages or amounts related

to any or all of the foregoing. The release includes, but is not limited to, claims pursuant to California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Business and Professions Code § 17200 *et seq.*, the applicable California Industrial Welfare Commission Wage Order(s), the California Business & Professions Code, California Code of Civil Procedure section 1021.5, and the Fair Labor Standards Act. The time period covered by this release mirrors the Class Period.

- 5.4 Release by Aggrieved Employees: The State of California, by and through Plaintiffs and on behalf of all Aggrieved Employees, shall waive, release, and forever discharge the Released Parties from any kind of claim or action for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*) during the PAGA Period, based on or arising out of the factual allegations of the Operative Complaint in the Actions and letter(s) sent by Plaintiffs to the LWDA including, but not limited to, civil penalties predicated on alleged violations for: unpaid hours worked/minimum wage; unpaid overtime; unpaid paid sick leave; failure to provide meal periods and/or pay meal period premiums; failure to provide rest periods and/or pay rest period premiums; untimely payment of wages during employment; untimely payment of wages upon separation of employment; non-compliant wage statements; failure to provide employee records; failure to maintain accurate records; failure to provide written commission agreements; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; and attorneys' fees or costs related to any or all of the foregoing. This release also includes, but is not limited to, any and all claims under California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, 2698 *et seq.*, 2699, 2699.3, and 2699.5, Business and Professions Code § 17200 *et seq.*, and the applicable California Industrial Welfare Commission Wage Order(s).

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs will 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 Defendants' Declaration in Support of Preliminary Approval. In advance of the deadline to file the Motion for Final Approval, Defendants will prepare and deliver to Class Counsel a signed declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator (if applicable). In their declarations, Defense Counsel and Defendants shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, with sufficient time to allow Defense Counsel to review and provide any proposed revisions, which Plaintiffs' Counsel will take into consideration in good faith.

- 6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval in advance of the already secured Preliminary Approval Hearing; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone and in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 Not later than twenty-one (21) days after the Court grants Preliminary Approval, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Defendants have 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 Defendants must send the Class Data to the Administrator, the Parties and

their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fifteen (15) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants 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 fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever is later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Plaintiffs agree to not request exclusion from the Class Settlement.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.5.5 If more than thirty-five (35) Class Members timely and validly opt out of the settlement, Defendants may elect to terminate the long-form Settlement Agreement. If Defendants terminate the long-form Settlement Agreement under this provision, Defendants will bear any of the already incurred costs of the provision of notice and third-party settlement administration.

- 7.6 Challenges to Calculation of Workweeks/PAGA Pay Periods. Each Covered Employee shall have until the Response Deadline to challenge the number of Workweeks or PAGA Pay Periods allocated to them in the Class Notice. The Covered Employee may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Covered Employee to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement (and subject to the Court's overruling) on all Covered Employee challenges to the number of Workweeks or PAGA Pay Periods. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks/PAGA Pay Periods contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks/PAGA Pay Periods is final and not appealable or otherwise susceptible to challenge, except by the Court. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks/PAGA Pay Periods and the Administrator's determination of the challenges.
- 7.7 Objections to Settlement.
- 7.7.1 Only Participating Class Members and Aggrieved Employees may object to the class action and PAGA components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payments.
- 7.7.2 Participating Class Members and Aggrieved Employees may object to this Agreement by filing a written objection before the Response Deadline, and if they intend to speak at the fairness hearing, filing a notice of intention to appear with the Court and serving the objection and notice on the Parties.
- 7.7.3 Non-Participating Class Members have no right to object to any part of the Class Settlement.
- 7.8 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.
- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received (both valid or invalid), and the number of written objections. The declaration shall attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.5 Final Report by Settlement Administrator. Within ten (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 fifteen (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. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants may terminate and withdraw from the Agreement contemplated at any time prior to the date the Court's approval of the settlement becomes "final" (i.e., not subject to appeal or reconsideration) if: (a) the Agreement is construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount, except for as provided by the terms of the Agreement; (b) the Court makes an order inconsistent with any of the terms of the Agreement, including, but not limited to, certifying for settlement purposes a class or representative action that is different from the Class defined in the Agreement, or any modification relating to the release of all claims (except for an order reducing the Class Counsel Award or the Class Representative Enhancement Payment); (c) following the signing of the Agreement, any court certifies, whether on a conditional basis or not, a class, collective, or representative action involving a claim covered by this Agreement; (d) any government department or agency raises objections to the terms in this Agreement or otherwise indicates that it intends to pursue remedies for a claim covered by this Agreement, beyond those contemplated by this Agreement; or (e) more than thirty-five (35) Class Members timely and validly opt out of the class. The Party that terminates and withdraws under this provision bears any of the already incurred costs of the provision of notice and third-party settlement administration, as well as any further notice that may be required by the Court as a result of the termination and withdrawal. If the basis for withdrawal is a Court order as described in items (a) and (b) above, the withdrawing Party must provide written notice to all other Parties of its intent to terminate and withdraw within two weeks of the date on which the offending order is filed. Failure to provide timely notice will serve as a waiver of the right to revoke under the circumstances described in item (a) or (b), above.
9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five (5) days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 9.1 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 (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 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 Enhancement Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses

Payment or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.
- 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.
- 9.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the appellate court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Enhancement Payments 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.
10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.
11. **ADDITIONAL PROVISIONS.**
- 11.1 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiffs that Defendants'

defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class for any reason, Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' 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).

- 11.2 Confidentiality Before Preliminary Approval. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.3 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.
- 11.4 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.
- 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.

- 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts in good faith to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator or the Court for resolution.
- 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants 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.
- 11.9 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.
- 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.
- 11.12 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 11.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not

later than ninety (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, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendants unless, before the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.

- 11.15 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.
- 11.16 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 11.17 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 Plaintiffs:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro
Lauren N. Vega
Conor J.D. Gómez
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
conor@ferrarovega.com / classactions@ferrarovega.com
www.ferrarovega.com

Crosner Legal

Attn: Brandon Brouillette
Zach Crosner
9440 Santa Monica Blvd. Suite 301
Beverly Hills, CA 90210
bbrouillette@crosnerlegal.com
zach@crosnerlegal.com
www.crosnerlegal.com

To Defendants:

Polsinelli LLP

Attn: Christina Tellado
Mary Vu Kendra Loevenguth
Billy Saharchartsiri

2049 Century Park East, Suite 2900
Los Angeles, CA 90067
ttellado@polsinelli.com
mvu@polsinelli.com
kloevenguth@polsinelli.com
bsaharchartsiri@polsinelli.com

- 11.18 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.
- 11.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Ismael Cruz

Date: 08 / 14 / 2026



Ismael Cruz

Plaintiff Prince Ray

Date: _____

Prince Ray

Defendants Henkels & McCoy West, LLC

Date: _____

Name: _____

Title: _____

Defendants Henkels & McCoy, Inc.

Date: _____

Name: _____

Title: _____

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Ismael Cruz

Date: _____

Ismael Cruz

Plaintiff Prince Ray

Date: _____

Prince Ray

Defendants Henkels & McCoy West, LLC

Date: 8/21/2026 _____

Signed by:

EDF55FC6E1FD4A8
Name: Virginia Pagliery
Title: Associate General Counsel

Defendants Henkels & McCoy, Inc.

Date: 8/21/2026 _____

Signed by:

EDF55FC6E1FD4A8
Name: Virginia Pagliery
Title: Associate General Counsel

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

Cruz, et al. v. Henkels & McCoy West, LLC, et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 24STCV29074

***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 Henkels & McCoy West, LLC and Henkels & McCoy, Inc. for alleged wage and hour violations. The Action was filed by Defendants’ employees Ismael Cruz and Prince Ray (“Plaintiffs”) and alleges the following legal causes of action: (1) any alleged failure to pay minimum wage and liquidated damages, (2) failure to pay overtime wages, (3) failure to provide meal period or compensation in lieu thereof, (4) failure to provide rest period or compensation in lieu thereof, (5) paid sick leave violations, (6) failure to furnish accurate itemized wage statements, (7) failure to timely pay all wages due upon separation of employment, (8) failure to reimburse business expenses, and (9) unfair competition for a class of non-exempt or hourly employees (“Class Members”) who worked for Defendants during the Class Period November 3, 2021, to July 17, 2026; and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all non-exempt or hourly employees who worked for Defendants during the PAGA Period August 30, 2023, to July 17, 2026. (“Aggrieved Employees”).

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

Based on Defendants’ records, and the parties’ current assumptions, your individual class payment is estimated to be \$XXX (less withholding) and your individual PAGA payment is estimated to be \$XXX. 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 Defendants’ 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 Defendants’ records showing that **you worked XXX workweeks** during the Class Period and **you worked XXX pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

The Court has already preliminarily approved the proposed settlement and approved this notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this notice carefully. You will be deemed to have carefully read and understood it. At the final approval hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants

to make payments under the settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed settlement and be eligible for an individual class payment and/or an individual PAGA payment. As a participating class member, though, you will give up your right to assert Class Period wage claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the settlement, you will not receive an individual class payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an individual PAGA payment. You cannot opt-out of the PAGA portion of the proposed settlement.

Defendants 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 Defendants that are covered by this settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an individual class payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this notice. You cannot opt-out of the PAGA portion of the proposed settlement. Defendants must pay individual PAGA payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or

Written Objections Must be Submitted by _____	Plaintiff, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this notice.
You Can Participate in the _____ Final Approval Hearing	The Court's final approval hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendants' records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by _____. See Section IV of this notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action alleges Defendants violated California labor laws by failing to pay minimum wage and liquidated damages, overtime wages, provide meal period or compensation in lieu thereof, provide rest period or compensation in lieu thereof, paid sick leave violations, furnish accurate itemized wage statements, timely pay all wages due upon separation of employment, reimburse business expenses, and unfair competition. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.). Plaintiffs are represented by attorneys in the Action: Ferraro Vega Employment Lawyers & Crosner Legal ("Class Counsel").

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

So far the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants engaged an experienced, neutral mediator to resolve the Action by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiffs and Defendants 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, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the settlement is a good deal for you because they

believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

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

1. Defendants Will Pay \$1,775,000 as the Gross Settlement Amount (“Gross Settlement”). Subject to Court Approval, Defendants have 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 payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants final approval, Defendants will fund the Gross Settlement not more than fourteen (14) days after the judgment entered by the Court becomes final. 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.
2. Court Approved Deductions from Gross Settlement. At the final approval hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:
 - A. Up to \$591,666.67 [one-third of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$40,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$20,000 (\$10,000, each) to Plaintiffs as the class representative enhancement payments for filing the Action, working with Class Counsel and representing the Class. A class representative payment will be the only monies Plaintiffs will receive other than Plaintiffs’ individual class payments and any individual PAGA payments.
 - C. Up to \$30,000 to the Administrator for services administering the settlement.
 - D. Up to \$75,000 for PAGA penalties, allocated 65% to the LWDA and 35% to individual PAGA payments to Aggrieved Employees based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA penalties. 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. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each individual class payment to taxable wages (“Wage Portion”) and 80% to interest, penalties, etc. (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants 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 Plaintiffs and Defendants 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 disbursed to California Controller’s Unclaimed Property Fund in the name of the Class Member.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than __, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed request for exclusion by the ____ response deadline. The request for exclusion should be a letter from the Class Member or Class Member’s representative setting forth the Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the settlement. Class Members who opt out will not receive individual class payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the settlement will be void, Defendants will not pay any money, and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the “Administrator”) to send this notice, calculate and make payments, and process Class Members’ requests for exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and

perform other tasks necessary to administer the settlement. The Administrator's contact information is contained in Section IX of this notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants 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 Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this settlement.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, and Participating Class Members will release claims against all Released Parties as follows:

All Participating Class Members, their attorneys, successors, assigns, legatees, heirs, and personal representatives release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Cruz PAGA Action, Ray Action and Cruz Class Action, including but not limited to claims for rest periods; meal periods; minimum wages; overtime wages; pay for all hours worked, including but not limited to alleged off-the-clock work; calculation of the regular rate and/or overtime/double time pay, including alleged non-inclusion of all forms of compensation required to be included in such calculation; timeliness of wages; payment of wages at separation of employment; waiting time penalties; itemized wage statements and/or accuracy of wage statements; recordkeeping; unfair competition; reimbursement of business expenses; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; restitution for any or all of the foregoing; any penalties, including statutory and civil penalties, related to any or all of the foregoing; attorneys' fees or costs related to any or all of the foregoing; interest related to any or all of the foregoing; and/or any other damages or amounts related to any or all of the foregoing. The release includes, but is not limited to, claims pursuant to California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Business and Professions Code § 17200 *et seq.*, the applicable California Industrial Welfare Commission Wage Order(s), the California Business & Professions Code, California Code of Civil Procedure section 1021.5, and the Fair Labor Standards Act. The time period covered by this release mirrors the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants,

whether or not they exclude themselves from the Class Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members or Non-Participating Class Members, cannot sue, continue to sue or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this settlement.

The Aggrieved Employees' Release is as follows:

The State of California, by and through Plaintiffs and on behalf of all Aggrieved Employees, shall waive, release, and forever discharge the Released Parties from any kind of claim or action for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*) during the PAGA Period, based on or arising out of the factual allegations of the Operative Complaint in the Actions and letter(s) sent by Plaintiffs to the LWDA including, but not limited to, civil penalties predicated on alleged violations for: unpaid hours worked/minimum wage; unpaid overtime; unpaid paid sick leave; failure to provide meal periods and/or pay meal period premiums; failure to provide rest periods and/or pay rest period premiums; untimely payment of wages during employment; untimely payment of wages upon separation of employment; non-compliant wage statements; failure to provide employee records; failure to maintain accurate records; failure to provide written commission agreements; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; and attorneys' fees or costs related to any or all of the foregoing. This release also includes, but is not limited to, any and all claims under California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, 2698 *et seq.*, 2699, 2699.3, and 2699.5, Business and Professions Code § 17200 *et seq.*, and the applicable California Industrial Welfare Commission Wage Order(s).

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each Individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing \$26,250 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of Workweeks you worked during the Class Period, as recorded in Defendants' records, is stated in the first page of this notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your

challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

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

V. HOW WILL I GET PAID?

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

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

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number 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 Cruz, et al. v. Henkels & McCoy West, LLC, et al., and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by _____, or it will be invalid.** Section IX of the notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least sixteen (16) court days before the _____ final approval hearing, Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as class representative enhancement payments. Upon reasonable request, Class Counsel (whose contact

information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website _____ (url) _____ or the Court's website (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number of the Action (24STCV29074).

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

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

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on _____ at (time) _____ in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the hearing, the judge will decide whether to grant final approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs and the Administrator. The Court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or any other settlement documents is to go to (specify entity) _____ website at (url) _____.

You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number for the Action, Case No. 24STCV29074. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

**DO NOT TELEPHONE THE COURT TO OBTAIN
INFORMATION ABOUT THE SETTLEMENT**

Class Counsel:

Ferraro Vega Employment Lawyers, Inc.

Nicholas J. Ferraro (State Bar No. 306528)

Lauren N. Vega (State Bar No. 306525)

Conor J.D. Gómez (State Bar No. 337395)

Ferraro Vega Employment Lawyers, Inc.

3333 Camino del Rio South, Suite 300

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Crosner Legal

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X. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

XI. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 2

~~COUNSEL USING THIS MODEL AGREEMENT ARE TO ATTACH A REDLINED VERSION TO THEIR MOTIONS FOR APPROVAL SHOWING HOW THE PARTIES HAVE MODIFIED THIS MODEL AGREEMENT.]~~

~~[MODEL]~~ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff ~~(“Plaintiff”)~~ Plaintiffs Ismael Cruz and defendant ~~(“XYZ”)~~ The Prince Ray (“Plaintiffs”) and Defendants Henkels & McCoy West, LLC and Henkels & McCoy, Inc. (“Defendants”). This Agreement refers to Plaintiff Plaintiffs and XYZ Defendants collectively as “Parties,” or individually as a “Party.”

1. DEFINITIONS.

~~1.1~~ “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against XYZ captioned _____ initiated on _____ and pending in the Court.

~~1.2~~ “Administrator” means _____, the neutral entity the Parties have agreed to appoint to administer the Settlement.

~~1.1~~ “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee 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 or Aggrieved Employees.

~~1.3~~ ~~1.2~~ “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.

“Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3

_____ “Aggrieved ~~Employee~~ Employees” means ~~[e.g., a person employed by XYZ in California]~~ all current and classified as a ~~former hourly-paid or non-exempt employees~~ who worked for XYZ Defendants within the State of California at any time during the PAGA Period.

1.4 ~~]~~

~~1.5~~ “Class” means ~~[define class, e.g., all persons employed by XYZ in California]~~ all current and classified as

~~1.5~~ former hourly-paid or non-exempt employees who worked for ~~XYZ~~ Defendants within the State of California at any time during the Class Period~~].~~

1.6 “Class Counsel” means Crosner Legal and Ferraro Vega Employment Lawyers.

~~1.7~~ “Class Counsel Fees Payment” ~~and “Class Counsel Litigation Expenses Payment” mean the amounts means the amount~~ allocated to Class Counsel for reimbursement of reasonable attorneys’ fees, up to one-third of the Gross Settlement Amount, subject to the terms of this Agreement and the Court’s approval.

~~_____~~ “Class Counsel Litigation Expenses” means the amount payable to Class Counsel from the Gross Settlement Amount as reimbursement for their reasonable and verified ~~and~~ expenses, respectively, incurred to prosecute the Action, subject to the Court’s approval.

~~1.7~~ 1.8

~~1.8~~ 1.9 “Class Data” means Class Member identifying information in ~~XYZ’s~~ Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

~~_____~~ “Class Member” or “Settlement

~~1.9~~ 1.10 “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~~ _____ “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee 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 or Aggrieved Employees.

~~1.11~~ _____ “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be

~~1.11~~ _____ mailed to Class Members Covered Employees 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.

____ “Class Period” means the period between November 3, 2021, and July 17, 2026.

1.12 ~~from ____ to ____.~~

____ “Class Representative” means Ismael Cruz and Prince Ray, who are the named ~~Plaintiff~~Plaintiffs in the operative complaint in the Action seeking Court approval to serve as ~~a-class~~ representatives.

1.13 ~~representative.~~

1.14 “Class Representative Service ~~Payment~~Payments” means the ~~payment~~payments to the Class ~~Representative~~Representatives for initiating the ~~Action~~Actions and providing services in support of the ~~Action~~Actions.

1.15 “Class Settlement” means the portion of the Settlement allocated to the resolution of the class action claims.

~~1.15~~1.16 ____ “Court” means the Superior Court of California, County of Los Angeles.

~~1.16~~ ____ “XYZ” means ~~named Defendant~~ ____.

1.17 “Covered Employees” means Aggrieved Employees and Class Members.

1.18 “Cruz Class Action” means Plaintiff Ismael Cruz’s lawsuit alleging wage and hour class violations against Defendants, captioned *Cruz v. Henkels & McCoy West LLC, et al.*, initiated on November 11, 2024, and pending in the Los Angeles Superior Court.

1.19 “Cruz PAGA Action” means Plaintiff Ismael Cruz’s lawsuit alleging wage and hour PAGA violations against Defendants, captioned *Cruz v. Henkels & McCoy West LLC, et al.*, initiated on November 5, 2024, and pending in the Los Angeles Superior Court.

1.20 “Defendants” means Henkels & McCoy West, LLC and Henkels & McCoy, Inc.

~~1.17~~1.21 ____ “Defense Counsel” means —Polsinelli LLP.

~~1.18~~1.22 ____ “Effective Date” means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members ~~objects~~object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

~~1.19~~1.23 “Final Approval” means the Court’s order granting final approval of the Settlement.

~~1.20~~1.24 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

~~1.21~~1.25 “Gross Settlement Amount” means \$~~1,775,000.00~~, which is the total amount ~~XYZ agrees~~Defendants agree to pay under the Settlement, subject to Section 4.1. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service ~~Payment~~Payments, and the Administration Expenses Payment.

~~1.22~~1.26 “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.

_____ “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share ~~[25%/of 35%]~~1% (\$26,250.00) of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

~~1.23~~1.27 _____.

~~1.24~~1.28 “Judgment” means the judgment entered by the Court based upon the Final Approval.

~~1.25~~1.29 “LWDA” means the California Labor and Workforce Development Agency.

~~1.26~~1.30 “LWDA PAGA Payment” means the ~~[75%/65%]~~1% (\$48,750.00) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

~~1.27~~1.31 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service ~~Payment~~Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

~~1.28~~1.32 “Non-Participating Class Member” means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion.

~~1.29~~ “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for XYZ for at least one day during the PAGA Period.

~~1.30~~ “PAGA Period” means the period from _____ to _____.

~~1.31~~1.33 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

~~1.32~~1.34 “PAGA Notice/Notices” means Plaintiff’s ~~_____~~ Plaintiff Cruz’s letter to ~~XYZ~~ Defendants and the LWDA ~~[and Plaintiff’s _____ Plaintiff Ray’s letter to XYZ Defendants and the LWDA]~~ providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.35 “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

~~1.33~~1.36 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, (i.e., \$75,000.00), allocated ~~[25%/35%]~~ to the Aggrieved Employees (~~_____~~ \$26,250.00) and ~~[75%/65%]~~ to the LWDA (~~_____~~ \$48,750.00) in settlement of PAGA claims.

1.37 “PAGA Period” means the period between August 30, 2023, and July 17, 2026.

1.38 “PAGA Settlement” means the portion of the Settlement allocated to the resolution of the claims under PAGA.

~~1.34~~1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.

~~1.35~~1.40 “Plaintiff Cruz” means ~~_____~~ Ismael Cruz, the named plaintiff in the Cruz Action.

1.41 “Plaintiff Ray” means Prince Ray, the named plaintiff in the Ray Action.

~~1.36~~1.42 “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.43 “Ray Action” means Plaintiff Prince Ray’s lawsuit alleging wage and hour violations against Defendants, captioned *Ray v. Henkels & McCoy West, LLC*, initiated on December 6, 2024, and pending in the San Diego Superior Court.

~~1.37~~1.44 “Released Class Claims” means the claims being released as described in Paragraph 5.~~23~~
below.

~~1.38~~1.45 “Released PAGA Claims” means the claims being released as described in Paragraph 5.~~34~~
below.

——— “Released Parties” means ~~XYZ~~Defendants and ~~each~~any of ~~its~~their respective current or former and
present ~~[directors,]~~ ~~[,]~~ ~~officers,~~ ~~[shareholders,]~~ ~~[owners,]~~ ~~[,]~~ ~~members,~~ ~~[,]~~ ~~administrators, agents,~~
~~insurers, beneficiaries, trustees, employee benefits plans, representatives, servants, employees,~~
~~attorneys,~~ ~~[insurers,]~~ ~~[predecessors,]~~ ~~[successors,]~~ ~~[assigns,]~~ ~~[,]~~ ~~parents, subsidiaries,~~ ~~[,]~~ ~~affiliates,~~
~~divisions, branches, units, shareholders, investors, contractors, successors, joint venturers,~~
~~predecessors, related entities, and assigns, and all other individuals and entities acting on their~~
~~behalf.~~

~~1.39~~1.46 ~~[-]~~

——— “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 and including the information specified in
Paragraph 7.5.1.

~~1.40~~1.47 ~~[-]~~

~~1.41~~1.48 “Response Deadline” means ~~[e.g., 60]~~forty-five (45) days after the Administrator mails the
Class Notice and shall be the last date on which Class MembersCovered Employees may: (a) fax,
email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c)
fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the
Class Notice. Class Members or to the number of PAGA Pay Periods allocated to the Aggrieved
Employee. Covered Employees to whom Class Notices are resent after having been returned
undeliverable to the Administrator shall have their deadline extended an additional ~~[fourteen (14)]~~
calendar days beyond the Response Deadline.

~~1.42~~1.49 “Settlement” means the disposition of the Action effected by this Agreement and the
Judgment.

——— “Workweek” means any week during which a Class Member worked for ~~XYZ~~Defendants for at
least one day~~;~~ during the Class Period.

~~1.43~~1.50 ~~[-]~~

2. RECITALS.

-
- 2.1 On August 30, 2024, Plaintiff Cruz timely sent notice to the Labor and Workforce Development Agency (“LWDA”) of his intent to pursue a representative action pursuant to PAGA, on behalf of himself and the State of California, as well as on behalf of a group of aggrieved employees that included all Defendants’ non-exempt employees in California during the PAGA statute of limitations period.
- 2.2 On October 7, 2024, Plaintiff Prince Ray provided notice of his PAGA claims to the LWDA.
- 2.3 On November 5, 2024, Plaintiff Cruz filed a PAGA action (the “Cruz PAGA Action”) against Defendants in Los Angeles County Superior Court, which was assigned Case No. 24STCV29074.
- 2.4 On November 7, 2024, Plaintiff Cruz filed a class ~~by filing a complaint~~ (the “Cruz Class Action”) against Defendants in Los Angeles County Superior Court alleging ~~causes of action against XYZ~~ claims for (1) failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) wage statement violations, (6) waiting time penalties, (7) failure to reimburse business expenses, and (8) unfair competition. The Cruz Class Action is pending in Los Angeles Superior Court, Case No. 24STCV29321.
- 2.5 On December 6, 2024, Plaintiff Ray filed a class action complaint (the “Ray Action”) in San Diego Superior Court alleging claims for (1) failure to pay all wages owed, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) failure to reimburse business expenses, and (10) unfair competition. On December 13, 2024, Plaintiff Ray amended his complaint to add claims for civil penalties under the Private Attorneys General Act. The Ray Action was pending in San Diego Superior Court, Case No. 24CU026747C.
- 2.6 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.
- 2.7 On February 10, 2026, the Parties participated in an all-day mediation presided over by private mediator Steve Mehta which led to this Agreement.
- ~~2.1~~ On June 22, 2026, as part of the settlement, Plaintiffs filed a _____. [On _____, Plaintiff filed a [e.g., First Amended Complaint] ~~alleging causes of action against XYZ for _____.~~ The [e.g., in the Cruz PAGA Action to add Plaintiff Ray and his claims. The First Amended] Complaint in the Cruz PAGA Action is the operative
- complaint ~~in the Action~~ (the “Operative Complaint”). ~~XYZ denies~~). Defendants deny the allegations in

2.8 the Operative Complaint, ~~denies~~deny any failure to comply with the laws identified in ~~in~~ the Operative Complaint, and ~~denies~~deny any and all liability for the causes of action alleged.

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

2.3 On _____, the Parties participated in an all-day mediation presided over by _____ which led to this Agreement [or describe alternative means of negotiation].

2.9 On July 24, 2026, the Ray Action was dismissed.

2.42.10 Before [mediation] [and negotiating the Settlement], Plaintiff, Plaintiffs obtained, through [formal] [informal] discovery, _____ (documents, testimony and information obtained). Plaintiff's both Plaintiffs' pay and time records as well as a summary of data points related to the Participating Class Members and Aggrieved Employees. Plaintiffs' 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*").

2.52.11 The Court [has] [has not] granted class certification.

(list case names, case numbers, and jurisdictions)

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

2.62.12 [they are aware of the following other pending matter[s] or action[s] asserting claims that will be extinguished or affected by the Settlement:

(list case names, case numbers, and jurisdictions)

_____.

3. MONETARY TERMS.

~~Gross Settlement Amount. XYZ promises to Defendants shall~~ pay \$~~_____~~ 1,775,000.00 and no more ~~(except as provided in Section 4.1 below)~~ as the Gross Settlement Amount~~-, and to~~ shall separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments.~~]- XYZ has. Defendants have~~ no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2.ⁱⁱⁱ 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 Defendants.

3.1 ~~XYZ.~~

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~~ To Plaintiff~~Plaintiffs~~: Class Representative Service Payment Enhancement Payments of not more than \$ ~~\$20,000.00 (\$10,000.00 each)~~ (in addition to any Individual Class Payment ~~-, and any Individual PAGA Payment~~ the Class Representative is~~Representatives are~~ entitled to receive as ~~a~~ Participating Class Member~~Members~~) subject to Court approval. Defendants will not oppose Plaintiff's~~Plaintiffs'~~ request for ~~a~~ Class Representative Service Payment Enhancement Payments that ~~does do~~ not exceed this amount. As part of the Motion for Final Approval, Plaintiff~~Plaintiffs~~ will seek Court approval for any Class Representative Service Payment Enhancement Payments. If the Court approves ~~a~~ Class Representative Service Payment Enhancement Payments 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~~Enhancement Payments using IRS Form 1099. ~~Plaintiff assumes~~Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Enhancement Payments.

3.2.1 ~~Service Payment.~~

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than %, one-third, which is currently estimated to be \$591,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$. XYZ40,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts, except as contemplated in Section 4.1. As part of the Motion for Final Approval, PlaintiffPlaintiffs and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff'sPlaintiffs' Counsel arising from any claim to any portion of any Class Counsel FeeFees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds XYZDefendants harmless, and indemnifies XYZDefendants, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 3.2.3 To the Administrator: An Administration Expenses Payment not to exceed 3.2.3 \$ \$30,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than \$30,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 3.2.4 To Each Participating Class Member: An Individual Class Payment, which the Administrator shall calculate by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 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. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion").^{iv} 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 \$ 75,000.00 to be paid from the Gross Settlement Amount, with [75%/65%] (\$
% (\$48,750.00) allocated to the LWDA PAGA Payment and [25%/35%] (\$
\$26,250.00) 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' [25%/35%]% share of PAGA Penalties (\$ 26,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 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 Size Estimates and Escalator. Based on a review of its records to date, XYZ
estimates Defendants represented that there are 3,300 Class Members who
collectively worked a total of 187,150 Workweeks, and 1,932 Aggrieved Employees who worked a total 167,003 PAGA Pay Periods at the time of settlement. If the total number of Workweeks or PAGA
Pay Periods exceeds their respective estimates above by 10% or more (e.g., Workweek count x
1.1) for the applicable Class Period or PAGA Period, Defendants shall have the option to either (1)
increase the Gross Settlement Amount by the percentage in excess of the 10% threshold (e.g., if
there is a 13% increase in workweeks worked during the Class Period, Defendants will increase
the Gross Settlement Amount by 3%); or (2) cut off the end of the Class Period or PAGA Period
as of the date that the total Workweeks worked during the Class Period is 205,865 or the total
PAGA Pay Periods worked during the PAGA Period is 183,703.

4.1 7

4.2 Funding of Gross Settlement Amount. ~~XYZ~~Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay ~~XYZ's~~Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than ~~fourteen (14)~~ days after the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within ~~fourteen (14)~~ten (10) days after ~~XYZ funds~~Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, 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~~Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service ~~Payment~~Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

~~4.3.1~~ — The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved

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

~~4.3.24.3.1~~ — The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within ~~seven (7)~~ days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.

— For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such ~~a check~~

~~[to a Court approved nonprofit organization or foundation consistent with Code of Civil Procedure section 384, subdivision (b) (“Cy Pres Recipient”)] [checks to the California Controller’s Unclaimed Property Fund in the name of the Class Member.~~

~~4.3.34.3.2]. [The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient].~~

~~4.3.44.3.3~~ For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such ~~check~~checks to the California Controller’s Unclaimed Property Fund in the name of the ~~Aggrieved Employee~~Class Member, thereby leaving no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

~~4.3.54.3.4~~ The payment of Individual Class Payments and Individual PAGA Payments shall not obligate ~~XYZ~~Defendants to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

1. RELEASES OF CLAIMS. Effective on the date when ~~XYZ~~Defendants fully ~~funds~~fund the entire Gross Settlement Amount, and ~~funds~~fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, ~~Plaintiff~~Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

~~4.4 — Plaintiff’s Release. Plaintiff and Plaintiff’s respective former and present representatives, agents, attorneys, administrators, successors and assigns, release and discharge Released Parties from all claims, transactions or occurrences [that occurred during the Class Period], including, but not limited to:~~
~~(a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff’s PAGA Notice. (“Plaintiff’s Release.”) Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.^{vi}~~

_____Plaintiff’s

4.4 Plaintiffs' Release. Plaintiffs and each of their former and present spouses, attorneys, successors, assigns, legatees, heirs, and personal representatives waive, release, forever discharge, and will not pursue any manner of action, cause of action, claim, demand, right, suit, obligation, debt, contract, agreement, promise, liability, or remedy of any nature whatsoever (including without limitation any damages, charges, penalties, losses, costs, expenses, and attorneys' fees), whether in law or in equity, under contract, tort or any other subject area, or under any statute, rule, regulation, order, or law, whether federal, state, or local, on any grounds whatsoever, arising out of or relating to any acts, facts, omissions or obligations, whether known or unknown, whether foreseen or unforeseen, fixed or contingent, against the Released Parties.

Plaintiffs' Release includes, but is not limited to: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act, the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Services Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs.

However, this release shall not apply to claims or actions to enforce this Agreement, or to any claims or actions for vested benefits, long term disability insurance benefits between Plaintiffs and the insurance company subject to the terms of the plan, for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that cannot be waived or released as a matter of law.

4.4.14.5 4.5.1 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, ~~Plaintiff~~ Plaintiffs' Release, upon Plaintiffs' receipt of Plaintiffs' 1542 Waiver Payments, Plaintiffs expressly ~~waives~~waive and ~~relinquishes~~relinquish the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

~~4.5 Release by Participating Class Members:~~

~~All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period [including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, or workers’ compensation or claims based on events occurring outside the Class Period.~~

~~4.6 Release by Aggrieved Employees:~~

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

~~and the PAGA Notice [including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.].~~

- 4.6 Release by Participating Class Members: All Participating Class Members, their attorneys, successors, assigns, legatees, heirs, and personal representatives release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the operative pleadings in the Cruz PAGA Action, Ray Action and Cruz Class Action, including but not limited to claims for rest periods; meal periods; minimum wages; overtime wages; pay for all hours worked, including but not limited to alleged off-the-clock work; calculation of the regular rate and/or overtime/double time pay, including alleged non-inclusion of all forms of compensation required to be included in such calculation; timeliness of wages; payment of wages at separation of employment; waiting time penalties; itemized wage statements and/or accuracy of wage statements; recordkeeping; unfair competition; reimbursement of business expenses; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; restitution for any or all of the foregoing; any penalties, including statutory and civil penalties, related to any or all of the foregoing; attorneys’ fees or costs related

to any or all of the foregoing; interest related to any or all of the foregoing; and/or any other damages or amounts related to any or all of the foregoing. The release includes, but is not limited to, claims pursuant to California Labor Code sections 201-204, 226 et seq., 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Business and Professions Code § 17200 et seq., the applicable California Industrial Welfare Commission Wage Order(s), the California Business & Professions Code, California Code of Civil Procedure section 1021.5, and the Fair Labor Standards Act. The time period covered by this release mirrors the Class Period.

- 4.7 Release by Aggrieved Employees: The State of California, by and through Plaintiffs and on behalf of all Aggrieved Employees, shall waive, release, and forever discharge the Released Parties from any kind of claim or action for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, et seq.) during the PAGA Period, based on or arising out of the factual allegations of the Operative Complaint in the Actions and letter(s) sent by Plaintiffs to the LWDA including, but not limited to, civil penalties predicated on alleged violations for: unpaid hours worked/minimum wage; unpaid overtime; unpaid paid sick leave; failure to provide meal periods and/or pay meal period premiums; failure to provide rest periods and/or pay rest period premiums; untimely payment of wages during employment; untimely payment of wages upon separation of employment; non-compliant wage statements; failure to provide employee records; failure to maintain accurate records; failure to provide written commission agreements; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; and attorneys' fees or costs related to any or all of the foregoing. This release also includes, but is not limited to, any and all claims under California Labor Code sections 201-204, 226 et seq., 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, 2698 et seq., 2699, 2699.3, and 2699.5, Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order(s).

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

XYZ's

- 5.1 Defendants' Declaration in Support of Preliminary Approval. Within _____ days In advance of the full execution of this Agreement, XYZ deadline to file the Motion for Final Approval, Defendants will prepare and deliver to Class Counsel a signed declaration from XYZ Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient (if applicable). In their declarations, Defense Counsel and XYZ shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 5.25.1 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, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration

~~from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members [and/or the proposed Cy Pres Recipient]; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, [and/or] the Administrator [and/or the proposed Cy Pres Recipient]; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code, § 2699.3, subd. (a)), Operative Complaint (Lab. Code, § 2699, subd. (1)(1)), and the Agreement (Lab. Code, § 2699, subd. (1)(2)); (vii) a redlined version of the Agreement showing all modifications made to the Los Angeles Superior Court’s Model Agreement; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their declarations, Plaintiff and Class Counsel~~Defendants shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

5.2 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, with sufficient time to allow Defense Counsel to review and provide any proposed revisions, which Plaintiffs’ Counsel will take into consideration in good faith.

1.1 Responsibilities of Counsel. Class Counsel ~~and Defense Counsel are jointly~~is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval ~~no later than [30] days after the full execution in advance of this Agreement; obtaining a prompt hearing date for the Motion for~~already secured Preliminary Approval Hearing; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval Order to the Administrator.

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

6. SETTLEMENT ADMINISTRATION.

6.1 Selection of Administrator. The Parties have jointly selected _____
CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment,

- 6.1 CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 6.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 6.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.
- 6.4 Notice to Class Members.
- 6.4.1 Not later than [e.g., 15]twenty-one (21) days after the Court grants Preliminary Approval, XYZDefendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. XYZ hasDefendants have 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 XYZDefendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

~~Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.~~

- 6.4.2 ——— Using best efforts to perform as soon as possible, and in no event later than ~~[14]~~fifteen (15) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice ~~[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 Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 6.4.3 ——— 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.
- 6.4.4 ——— The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional ~~[fourteen (14)]~~fourteen (14) calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 6.4.5 ——— If the Administrator, ~~XYZ~~Defendants 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 ~~[fourteen (14)]~~fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, ~~which ever are~~whichever is later.

6.5 Requests for Exclusion (Opt-Outs).

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

6.5.1 ———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.

6.5.2 ———Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.23 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.3 ———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 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

~~5.3 of this Agreement and are eligible for an Individual PAGA Payment.~~

6.5.4 ———If more than thirty-five (35) Class Members timely and validly opt out of the settlement, Defendants may elect to terminate the long-form Settlement Agreement. If Defendants terminate the long-form Settlement Agreement under this provision, Defendants will bear any of the already incurred costs of the provision of notice and third-party settlement administration.

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

6.6.7 Objections to Settlement.

~~6.6.16.7.1~~ 6.6.7.1 ~~_____~~ Only Participating Class Members and Aggrieved Employees may object to the class action and PAGA components of the Settlement and or this Agreement, including contesting the fairness of the Settlement and the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service ~~Payment~~Payments.

~~6.6.26.7.2~~ 6.6.7.2 ~~_____~~ Participating Class Members and Aggrieved Employees may ~~send object to this Agreement by filing a~~ written objections to the Administrator, by fax, email or mail no later than objection before the Response Deadline. ~~Participating Class Members may, and if they intend to speak at the fairness hearing, filing a notice of intention to appear in with the Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing and serving the objection and notice on the Parties.~~

~~6.6.36.7.3~~ 6.6.7.3 ~~_____~~ Non-Participating Class Members have no right to object to any ~~of the class action components~~part of the Class Settlement.

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

~~6.7.16.8.1~~ 6.7.8.1 ~~_____~~ Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice,

the Motion for Final Approval, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

6.7.26.8.2 ——— 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 {five (5)} days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

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

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

6.7.46.8.4 ——— Final Report by Settlement Administrator. Within {ten (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 {fifteen (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.

~~7. **XYZ'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds _____% of the total of all Class Members, XYZ may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if XYZ withdraws, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, XYZ will remain responsible for paying all Settlement Administration Expenses incurred to that point. XYZ 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.~~

7. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants may terminate and withdraw from the Agreement contemplated at any time prior to the date the Court's approval of the settlement becomes "final" (i.e., not subject to appeal or reconsideration) if: (a) the Agreement is construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount, except for as provided by the terms of the Agreement; (b) the Court makes an order inconsistent with any of the terms of the Agreement, including, but not limited to, certifying for settlement purposes a class or representative action that is different from the Class defined in the Agreement, or any modification relating to the release of all claims (except for an order reducing the Class Counsel Award or the Class Representative Enhancement Payment); (c) following the signing of the Agreement, any court certifies, whether on a conditional basis or not, a class, collective, or representative action involving a claim covered by this Agreement; (d) any government department or agency raises objections to the terms in this Agreement or otherwise indicates that it intends to pursue remedies for a claim covered by this Agreement, beyond those contemplated by this Agreement; or (e) more than thirty-five (35) Class Members timely and validly opt out of the class. The Party that terminates and withdraws under this provision bears any of the already incurred costs of the provision of notice and third-party settlement administration, as well as any further notice that may be required by the Court as a result of the termination and withdrawal. If the basis for withdrawal is a Court order as described in items (a) and (b) above, the withdrawing Party must provide written notice to all other Parties of its intent to terminate and withdraw within two weeks of the date on which the offending order is filed. Failure to provide timely notice will serve as a waiver of the right to revoke under the circumstances described in item (a) or (b), above.

8. **MOTION FOR FINAL APPROVAL.** Not later than ~~[sixteen (16)]~~ court days before the calendared Final Approval Hearing, ~~Plaintiff~~Plaintiffs will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). ~~Plaintiff~~Plaintiffs shall provide drafts of these documents to Defense Counsel not later than ~~[seven]~~five (5) days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 8.1 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 ~~that [than five]~~ (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 8.2 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 Enhancement Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 8.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.
- 8.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.
- 8.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the appellate court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment Enhancement Payments 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.

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

10. **ADDITIONAL PROVISIONS.**

10.1 ~~_____~~ 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 ~~XYZ~~Defendants that any of the allegations in the Operative Complaint have merit or that ~~XYZ has~~Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by ~~Plaintiff~~Plaintiffs that ~~XYZ's~~Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, ~~XYZ reserves~~Defendants reserve the right to contest certification of any class for any reason, ~~XYZ reserves~~Defendants reserve all available defenses to the claims in the Action, and ~~Plaintiff reserves~~Plaintiffs reserve the right to move for class certification on any grounds available and to contest ~~XYZ's~~Defendants' 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).

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

10.3 ~~_____~~ 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.

- 10.4 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.
- 10.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by ~~Plaintiff~~Plaintiffs and ~~XYZ~~Defendants, 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.
- 10.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts in good faith to implement the Settlement by, among other things, modifying the Settlement Agreement and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator or the Court for resolution.
- 10.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 10.8 No Tax Advice. Neither ~~Plaintiff~~Plaintiffs, Class Counsel, ~~XYZ~~Defendants 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.
- 10.9 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.
- 10.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 10.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.
- 10.12 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by ~~XYZ~~Defendants in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than ninety (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~~Plaintiffs shall destroy all paper and electronic versions of Class Data received from ~~XYZ~~Defendants unless, before the Court's discharge of the Administrator's obligation, ~~XYZ~~makesDefendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 10.15 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.
- 10.16 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.17 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:~~

~~To XYZ:~~

To Plaintiffs:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro

Lauren N. Vega

Conor J.D. Gómez

3333 Camino del Rio South, Suite 300

San Diego, CA 92108 USA

conor@ferrarovega.com / classactions@ferrarovega.com

www.ferrarovega.com

Crosner Legal

Attn: Brandon Brouillette

Zach Crosner

9440 Santa Monica Blvd. Suite 301

Beverly Hills, CA 90210

bbrouillette@crosnerlegal.com

zach@crosnerlegal.com

www.crosnerlegal.com

To Defendants:

Polsinelli LLP

Attn: Christina Tellado

Mary Vu Kendra Loevenguth

Billy Saharchartsiri

2049 Century Park East, Suite 2900

Los Angeles, CA 90067

ttellado@polsinelli.com

mvu@polsinelli.com

kloevenguth@polsinelli.com
bsaharchartsiri@polsinelli.com

10.18 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.

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

_____	For Plaintiff	_____	For XYZ
_____		_____	
(date)		(date)	

_____	Counsel For Plaintiff	_____	Counsel For XYZ
_____		_____	
(date)		(date)	

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Ismael Cruz

Date: _____

Ismael Cruz

Plaintiff Prince Ray

Date: _____

Prince Ray

Defendants Henkels & McCoy West, LLC

Date: _____

Name: _____

Title: _____

Defendants Henkels & McCoy, Inc.

Date: _____

Name: _____

Title: _____

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

Cruz, et al. v. Henkels & McCoy West, LLC, et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 24STCV29074

{_____ (case name and number) _____}

_____*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 _____ [abbreviate name; “XYZ” is used herein as a placeholder] Henkels & McCoy West, LLC and Henkels & McCoy, Inc. for alleged wage and hour violations. The Action was filed by a [former] XYZ employee

_____ (“Plaintiff”) and seeks payment of Defendants’ employees Ismael Cruz and Prince Ray (“Plaintiffs”) and alleges the following legal causes of action: (1) back any alleged failure to pay minimum wage and liquidated damages, (2) failure to pay overtime wages [and other relief], (3) failure to provide meal period or compensation in lieu thereof, (4) failure to provide rest period or compensation in lieu thereof, (5) paid sick leave violations, (6) failure to furnish accurate itemized wage statements, (7) failure to timely pay all wages due upon separation of employment, (8) failure to reimburse business expenses, and (9) unfair competition for a class of [e.g., non-exempt or hourly] employees (“Class Members”) who worked for XYZ Defendants during the Class Period _____ to _____ November 3, 2021, to July 17, 2026; and (2) penalties under the California Private Attorney Attorneys General Act (“PAGA”) for all [e.g., non-exempt or hourly] employees who worked for XYZ Defendants during the PAGA Period (_____ to _____) August 30, 2023, to July 17, 2026. (“Aggrieved Employees”).

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

Based on XYZ’s Defendants’ records, and the parties’ current assumptions, your individual class payment is estimated to be \$ —XXX (less withholding) and your individual PAGA payment is estimated to be \$ —XXX. 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 XYZ’s Defendants’ 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 XYZ’s Defendants’ records showing that **you worked** —XXX **workweeks** during the Class Period and **you worked** _____workweeksXXX pay periods during the PAGA

Period. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

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

If you worked for ~~XYZ~~Defendants during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

- (+) (1) **Do Nothing.** You don't have to do anything to participate in the proposed settlement and be eligible for an individual class payment and/or an individual PAGA payment. As a participating class member, though, you will give up your right to assert Class Period wage claims against Defendants.

~~Period wage claims against XYZ.~~

- (-) (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the settlement, you will not receive an individual class payment. You will, however, preserve your right to personally pursue Class Period wage claims against ~~XYZ~~Defendants, and, if you are an Aggrieved Employee, remain eligible for an individual PAGA payment. You cannot opt-out of the PAGA portion of the proposed settlement.

~~XYZ~~Defendants 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	If you do nothing, you will be a Participating Class Member, eligible for an individual class payment and an individual PAGA payment (if
---	--

Participate in the Settlement	any). In exchange, you will give up your right to assert the wage claims against XYZDefendants that are covered by this settlement (“Released Claims”).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don’t want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an individual class payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this notice. You cannot opt-out of the PAGA portion of the proposed settlement. XYZDefendants must pay individual PAGA payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released 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 PlaintiffPlaintiffs 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 PlaintiffPlaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or PlaintiffPlaintiffs if you think they are unreasonable. See Section VII of this notice.
You Can Participate in the Final Approval Hearing	The Court’s final approval hearing is scheduled to take place on _____ . You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendants’ records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by _____. See Section IV of this notice.

You Can Participate in the _____ Final Approval Hearing	The Court's final approval hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to XYZ's records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by _____. See Section IV of this notice.

I. I. WHAT IS THE ACTION ABOUT?

Plaintiff is a ~~[Plaintiffs are former] XYZ employee, employees of Defendants.~~ The Action ~~accuses XYZ of violating~~ alleges Defendants violated California labor laws by failing to pay ~~[e.g., minimum wage and liquidated damages, overtime wages, minimum wages, wages due upon termination and reimbursable expenses]~~ and failing to provide [e.g., meal periods, period or compensation in lieu thereof, provide rest breaks and period or compensation in lieu thereof, paid sick leave violations, furnish accurate itemized wage statements], timely pay all wages due upon separation of employment, reimburse business expenses, and unfair competition. Based on the same claims, ~~Plaintiff has~~ Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.).

~~Plaintiff is~~ Plaintiffs are represented by attorneys in the Action: Ferraro Vega Employment Lawyers & Crosner Legal ("Class Counsel").

~~XYZ Defendants~~ strongly ~~denies~~ deny violating any laws or failing to pay any wages and ~~contends it~~ contend they complied with all applicable laws.

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

So far the Court has made no determination whether ~~XYZ Defendants~~ or ~~Plaintiff is~~ Plaintiffs are correct on the merits.

In the meantime, ~~Plaintiff~~Plaintiffs and ~~XYZ hired~~ [Defendants engaged] an experienced, neutral mediator/~~a~~ retired

~~judge/(describe alternative means of negotiation)] in an effort~~ to resolve the Action by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, ~~Plaintiff~~Plaintiffs and ~~XYZ~~Defendants 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, ~~XYZ does~~Defendants do not admit any violations or concede the merit of any claims. ~~Plaintiff~~Plaintiffs and Class Counsel strongly believe the settlement is a good deal for you because they believe that: (1) ~~XYZ has~~Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

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

~~1.~~ XYZ1. Defendants Will Pay \$1,775,000 as the Gross Settlement Amount ("Gross Settlement"). ~~XYZ has~~Subject to Court Approval, Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the settlement. The Administrator will use the Gross Settlement to pay the individual class payments, individual PAGA payments, ~~a~~ class representative service ~~payment~~payments, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants final approval, ~~XYZ~~Defendants will fund the Gross Settlement not more than fourteen (14) days after the judgment entered by the Court becomes final. 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.

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

~~A.~~ A. Up to \$591,666.67 [one-third of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$40,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

~~B.~~ B. Up to \$20,000 (\$10,000, each) to ~~Plaintiff~~Plaintiffs as ~~a~~the class representative ~~award~~enhancement payments for filing the Action, working with Class Counsel and representing the Class. A class representative ~~award~~payment will be the only monies ~~Plaintiff~~Plaintiffs will receive other than ~~Plaintiff's~~Plaintiffs' individual class ~~payment~~payments and any individual PAGA ~~payment~~payments.

~~C.~~ C. Up to \$ 30,000 to the Administrator for services administering the settlement.

~~D.~~ D. Up to \$ 75,000 for PAGA penalties, allocated [75%/65%]% to the LWDA and [25%/35%]% to individual PAGA payments to Aggrieved Employees based on their pay periods during the PAGA Period.

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

~~3.~~ 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.~~ 4. Taxes Owed on Payments to Class Members. Plaintiff~~Plaintiffs~~ and XYZ~~Defendants~~ are asking the Court to approve an allocation of 20% of each individual class payment to taxable wages (“Wage Portion”) and 80% to ~~[e.g., interest, penalties, etc.]~~ (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. ~~[Option 1: (XYZDefendants 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~~Plaintiffs~~ and XYZ~~Defendants~~ 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.~~ 5. Need to Promptly Cash Payment Checks. The front of every check issued for individual class payments and individual PAGA payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies ~~[will be deposited with the]~~disbursed to California Controller’s Unclaimed Property Fund in your~~the~~ name ~~[will irrevocably be lost to you because they will be paid to a non-profit organization or foundation].~~ of the Class Member.

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

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

You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert PAGA claims against XYZDefendants based on the PAGA Period facts alleged in the Action.

- ~~7.~~ 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. PlaintiffPlaintiffs and XYZDefendants have agreed that, in either case, the settlement will be void, XYZDefendants will not pay any money, and Class Members will not release any claims against XYZDefendants.

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

- ~~9.~~ 9. Participating Class Members' Release. After the Judgment is final and XYZDefendants 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 XYZDefendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this settlement.

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

~~All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the Class Period~~

~~[including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. 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 events occurring outside the Class Period.”^{viii}~~

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, and Participating Class Members will release claims against all Released Parties as follows:

All Participating Class Members, their attorneys, successors, assigns, legatees, heirs, and personal representatives release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Cruz PAGA Action, Ray Action and Cruz Class Action, including but not limited to claims for rest periods; meal periods; minimum wages; overtime wages; pay for all hours worked, including but not limited to alleged off-the-clock work; calculation of the regular rate and/or overtime/double time pay, including alleged non-inclusion of all forms of compensation required to be included in such calculation; timeliness of wages; payment of wages at separation of employment; waiting time penalties; itemized wage statements and/or accuracy of wage statements; recordkeeping; unfair competition; reimbursement of business expenses; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; restitution for any or all of the foregoing; any penalties, including statutory and civil penalties, related to any or all of the foregoing; attorneys’ fees or costs related to any or all of the foregoing; interest related to any or all of the foregoing; and/or any other damages or amounts related to any or all of the foregoing. The release includes, but is not limited to, claims pursuant to California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Business and Professions Code § 17200 *et seq.*, the applicable California Industrial Welfare Commission Wage Order(s), the California Business & Professions Code, California Code of Civil Procedure section 1021.5, and the Fair Labor Standards Act. The time period covered by this release mirrors the Class Period.

10. 10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and ~~XYZ~~ has Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against ~~XYZ Defendants~~, whether or not they exclude themselves from the Class Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members ~~and those who opt-out of the class settlement~~ or Non-Participating Class Members, cannot sue, continue to sue or participate in any other PAGA claim against ~~XYZ Defendants~~ or its related entities based on the PAGA Period facts alleged in the Action and resolved by this settlement.

The Aggrieved Employees’ Release is as follows:

~~All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the PAGA Period and the PAGA Notice [including, e.g., (a) any and all claims involving any alleged failure to pay minimum wage; etc.].^{viii}~~

The State of California, by and through Plaintiffs and on behalf of all Aggrieved Employees, shall waive, release, and forever discharge the Released Parties from any kind of claim or action for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*) during the PAGA Period, based on or arising out of the factual allegations of the Operative Complaint in the Actions and letter(s) sent by Plaintiffs to the LWDA including, but not limited to, civil penalties predicated on alleged violations for: unpaid hours worked/minimum wage; unpaid overtime; unpaid paid sick leave; failure to provide meal periods and/or pay meal period premiums; failure to provide rest periods and/or pay rest period premiums; untimely payment of wages during employment; untimely payment of wages upon separation of employment; non-compliant wage statements; failure to provide employee records; failure to maintain accurate records; failure to provide written commission agreements; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; and attorneys' fees or costs related to any or all of the foregoing. This release also includes, but is not limited to, any and all claims under California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, 2698 *et seq.*, 2699, 2699.3, and 2699.5, Business and Professions Code § 17200 *et seq.*, and the applicable California Industrial Welfare Commission Wage Order(s).

IV. IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

~~1.~~ 1. Individual Class Payments. The Administrator will calculate ~~individual class payments~~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~~Individual Participating Class Member.

~~2.~~ 2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing \$~~26,250~~ by the total number of PAGA Period ~~pay periods~~Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period ~~pay periods~~Pay Periods worked by each individual Aggrieved Employee.

~~3.~~ 3. Workweek Challenges. The number of Workweeks you worked during the Class Period, as recorded in ~~XYZ's~~Defendants' records, is stated in the first page of this notice. You have until

 to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

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

V. V. HOW WILL I GET PAID?

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

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

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number 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

 , *Cruz, et al. v. Henkels & McCoy West, LLC, et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by , , or it will be invalid.** Section IX of the notice has the Administrator's contact information.

~~VII.~~ VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what PlaintiffPlaintiffs and XYZDefendants are asking the Court to approve. At least sixteen (16) court days before the _____ final approval hearing, ~~Class Counsel and/or~~ PlaintiffPlaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff isPlaintiffs are requesting as ~~a~~-class representative service awardenhancement payments. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website (url) or the Court's website (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number of the Action (24STCV29074).

(url) or the Court's website (url).

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

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

~~VIII.~~ VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on _____ at — (time)— in Department [_____]6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the hearing, the judge will decide whether to grant final approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, PlaintiffPlaintiffs and the Administrator. The Court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>).s://www.lacourt.org/lacc/). Check the Court's website for the most current information.

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

IX. IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything XYZDefendants and PlaintiffPlaintiffs have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or any other settlement documents is to go to (specify entity) website at (url) .

~~other settlement documents is to go to _____ (specify entity) _____ website at _____ (url) _____.~~

You can also telephone or send an email to Class Counsel or the Administrator using the contact

information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) —[confirm]<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number for the Action, Case No. 24STCV29074. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

**DO NOT TELEPHONE THE COURT TO OBTAIN
INFORMATION ABOUT THE SETTLEMENT**

~~Class Counsel:~~
~~Name of Attorney:~~
~~Email Address:~~
~~Name of Firm:~~
~~Mailing Address:~~
~~Telephone:~~

Class Counsel:

Ferraro Vega Employment Lawyers, Inc.

Nicholas J. Ferraro (State Bar No. 306528)

Lauren N. Vega (State Bar No. 306525)

Conor J.D. Gómez (State Bar No. 337395)

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Crosner Legal

Brandon Brouillette Zach Crosner

9440 Santa Monica Blvd. Suite 301 Beverly Hills, CA 90210

bbrouillette@crosnerlegal.com

zach@crosnerlegal.com

www.crosnerlegal.com

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

CPT Group, Inc.

50 Corporate Park

Irvine, CA 92606

Fax Number: (949) 419-3446

(833) 816-0845

<https://www.cptgroup.com/case-inquiry>

~~X.~~ X. **WHAT IF I LOSE MY SETTLEMENT CHECK?**

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. ~~If your check is already void, [you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds] [you will have no way to recover the money].~~

~~XI.~~ XI. WHAT IF I CHANGE MY ADDRESS?

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

~~ⁱ For PAGA settlements involving PAGA notice letters sent to the LWDA after June 19, 2024, ensure that Plaintiff complies with the new PAGA requirements established by S.B. 92 and A.B. 2288. The PAGA penalty allocation in the Settlement Agreement should be revised to reflect the updated structure detailed in Lab. Code, § 2699(m)—65% of the amount to the LWDA, 35% to Aggrieved Employees.~~

~~ⁱⁱ The Parties may need to tailor this language to pay periods or shifts depending on the facts of the case.~~

~~ⁱⁱⁱ The Parties are free to negotiate a payment plan structure if appropriate. In the motion for preliminary approval, counsel should submit evidence (e.g., declaration from a representative of Defendant) explaining the financial necessity for a payment plan.~~

~~^{iv} Note that this is not the only possible appropriate breakdown depending on the claims at issue in the case (e.g., a settlement that is solely a Labor Code section 226, subdivision (a) claim).~~

~~^v Insert any negotiated terms addressing the possibility that XYZ's estimates of Class size, Workweeks, or PAGA Pay Periods turn out to be understated or concerning an "escalator" clause memorializing XYZ's promise to increase the Gross Settlement Amount in an agreed-upon proportion to the percentage by which the calculated class size, Workweeks, or PAGA Pay Periods exceed XYZ's estimates. Counsel must finalize the end dates of the Class and PAGA Periods before filing the Motion for Preliminary Approval and submit evidence showing if the escalator clause has been triggered and the consequences.~~

~~^{vi} The Parties can negotiate and propose a broader individual release for Plaintiff's claims.~~

~~^{vii} Releases in the Notice should be verbatim to the releases in the Settlement Agreement.~~

~~^{viii} Releases in the Notice should be verbatim to the releases in the Settlement Agreement.~~

Exhibit 3

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

Cruz, et al. v. Henkels & McCoy West, LLC, et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 24STCV29074

***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 Henkels & McCoy West, LLC and Henkels & McCoy, Inc. for alleged wage and hour violations. The Action was filed by Defendants’ employees Ismael Cruz and Prince Ray (“Plaintiffs”) and alleges the following legal causes of action: (1) any alleged failure to pay minimum wage and liquidated damages, (2) failure to pay overtime wages, (3) failure to provide meal period or compensation in lieu thereof, (4) failure to provide rest period or compensation in lieu thereof, (5) paid sick leave violations, (6) failure to furnish accurate itemized wage statements, (7) failure to timely pay all wages due upon separation of employment, (8) failure to reimburse business expenses, and (9) unfair competition for a class of non-exempt or hourly employees (“Class Members”) who worked for Defendants during the Class Period November 3, 2021, to July 17, 2026; and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all non-exempt or hourly employees who worked for Defendants during the PAGA Period August 30, 2023, to July 17, 2026. (“Aggrieved Employees”).

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

Based on Defendants’ records, and the parties’ current assumptions, your individual class payment is estimated to be \$XXX (less withholding) and your individual PAGA payment is estimated to be \$XXX. 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 Defendants’ 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 Defendants’ records showing that **you worked XXX workweeks** during the Class Period and **you worked XXX pay periods** during the PAGA Period. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

The Court has already preliminarily approved the proposed settlement and approved this notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this notice carefully. You will be deemed to have carefully read and understood it. At the final approval hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants

to make payments under the settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed settlement and be eligible for an individual class payment and/or an individual PAGA payment. As a participating class member, though, you will give up your right to assert Class Period wage claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the settlement, you will not receive an individual class payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an individual PAGA payment. You cannot opt-out of the PAGA portion of the proposed settlement.

Defendants 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 Defendants that are covered by this settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written request for exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an individual class payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this notice. You cannot opt-out of the PAGA portion of the proposed settlement. Defendants must pay individual PAGA payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	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 Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or

Written Objections Must be Submitted by _____	Plaintiff, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section VII of this notice.
You Can Participate in the _____ Final Approval Hearing	The Court's final approval hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendants' records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by _____. See Section IV of this notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action alleges Defendants violated California labor laws by failing to pay minimum wage and liquidated damages, overtime wages, provide meal period or compensation in lieu thereof, provide rest period or compensation in lieu thereof, paid sick leave violations, furnish accurate itemized wage statements, timely pay all wages due upon separation of employment, reimburse business expenses, and unfair competition. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.). Plaintiffs are represented by attorneys in the Action: Ferraro Vega Employment Lawyers & Crosner Legal ("Class Counsel").

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

So far the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants engaged an experienced, neutral mediator to resolve the Action by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiffs and Defendants 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, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the settlement is a good deal for you because they

believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

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

1. Defendants Will Pay \$1,775,000 as the Gross Settlement Amount (“Gross Settlement”). Subject to Court Approval, Defendants have 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 payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants final approval, Defendants will fund the Gross Settlement not more than fourteen (14) days after the judgment entered by the Court becomes final. 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.
2. Court Approved Deductions from Gross Settlement. At the final approval hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:
 - A. Up to \$591,666.67 [one-third of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$40,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$20,000 (\$10,000, each) to Plaintiffs as the class representative enhancement payments for filing the Action, working with Class Counsel and representing the Class. A class representative payment will be the only monies Plaintiffs will receive other than Plaintiffs’ individual class payments and any individual PAGA payments.
 - C. Up to \$30,000 to the Administrator for services administering the settlement.
 - D. Up to \$75,000 for PAGA penalties, allocated 65% to the LWDA and 35% to individual PAGA payments to Aggrieved Employees based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA penalties. 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. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each individual class payment to taxable wages (“Wage Portion”) and 80% to interest, penalties, etc. (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants 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 Plaintiffs and Defendants 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 disbursed to California Controller’s Unclaimed Property Fund in the name of the Class Member.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than __, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed request for exclusion by the _____ response deadline. The request for exclusion should be a letter from the Class Member or Class Member’s representative setting forth the Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the settlement. Class Members who opt out will not receive individual class payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the settlement will be void, Defendants will not pay any money, and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the “Administrator”) to send this notice, calculate and make payments, and process Class Members’ requests for exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and

perform other tasks necessary to administer the settlement. The Administrator's contact information is contained in Section IX of this notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants 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 Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this settlement.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, and Participating Class Members will release claims against all Released Parties as follows:

All Participating Class Members, their attorneys, successors, assigns, legatees, heirs, and personal representatives release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint in the Cruz PAGA Action, Ray Action and Cruz Class Action, including but not limited to claims for rest periods; meal periods; minimum wages; overtime wages; pay for all hours worked, including but not limited to alleged off-the-clock work; calculation of the regular rate and/or overtime/double time pay, including alleged non-inclusion of all forms of compensation required to be included in such calculation; timeliness of wages; payment of wages at separation of employment; waiting time penalties; itemized wage statements and/or accuracy of wage statements; recordkeeping; unfair competition; reimbursement of business expenses; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; restitution for any or all of the foregoing; any penalties, including statutory and civil penalties, related to any or all of the foregoing; attorneys' fees or costs related to any or all of the foregoing; interest related to any or all of the foregoing; and/or any other damages or amounts related to any or all of the foregoing. The release includes, but is not limited to, claims pursuant to California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, Business and Professions Code § 17200 *et seq.*, the applicable California Industrial Welfare Commission Wage Order(s), the California Business & Professions Code, California Code of Civil Procedure section 1021.5, and the Fair Labor Standards Act. The time period covered by this release mirrors the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants,

whether or not they exclude themselves from the Class Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members or Non-Participating Class Members, cannot sue, continue to sue or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this settlement.

The Aggrieved Employees' Release is as follows:

The State of California, by and through Plaintiffs and on behalf of all Aggrieved Employees, shall waive, release, and forever discharge the Released Parties from any kind of claim or action for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*) during the PAGA Period, based on or arising out of the factual allegations of the Operative Complaint in the Actions and letter(s) sent by Plaintiffs to the LWDA including, but not limited to, civil penalties predicated on alleged violations for: unpaid hours worked/minimum wage; unpaid overtime; unpaid paid sick leave; failure to provide meal periods and/or pay meal period premiums; failure to provide rest periods and/or pay rest period premiums; untimely payment of wages during employment; untimely payment of wages upon separation of employment; non-compliant wage statements; failure to provide employee records; failure to maintain accurate records; failure to provide written commission agreements; any unpaid wages or compensation related to any or all of the foregoing; any premium payments related to any or all of the foregoing; and attorneys' fees or costs related to any or all of the foregoing. This release also includes, but is not limited to, any and all claims under California Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, 2698 *et seq.*, 2699, 2699.3, and 2699.5, Business and Professions Code § 17200 *et seq.*, and the applicable California Industrial Welfare Commission Wage Order(s).

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each Individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing \$26,250 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of Workweeks you worked during the Class Period, as recorded in Defendants' records, is stated in the first page of this notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your

challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

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

V. HOW WILL I GET PAID?

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

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

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number 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 Cruz, et al. v. Henkels & McCoy West, LLC, et al., and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by _____, or it will be invalid.** Section IX of the notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least sixteen (16) court days before the _____ final approval hearing, Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as class representative enhancement payments. Upon reasonable request, Class Counsel (whose contact

information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website _____ (url) _____ or the Court's website (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number of the Action (24STCV29074).

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

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

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on _____ at (time) _____ in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the hearing, the judge will decide whether to grant final approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs and the Administrator. The Court will invite comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or any other settlement documents is to go to (specify entity) _____ website at (url) _____.

You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number for the Action, Case No. 24STCV29074. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

**DO NOT TELEPHONE THE COURT TO OBTAIN
INFORMATION ABOUT THE SETTLEMENT**

Class Counsel:

Ferraro Vega Employment Lawyers, Inc.

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Settlement Administrator:

CPT Group, Inc.

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Irvine, CA 92606

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(833) 816-0845

<https://www.cptgroup.com/case-inquiry>

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

XI. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 4



Los Angeles Office
9440 Santa Monica Blvd.
Beverly Hills, CA 90210

Kiara Bramasco, Esq.
kiara@crosnerlegal.com
direct: (424) 335-5236
office: (866) 276-7637
fax: (310) 510-6429

August 30, 2024

VIA PAGA ONLINE FILING ONLY:

California Labor & Workforce
Development Agency
ATTN: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
PAGAFilings@dir.ca.gov

VIA U.S. CERTIFIED MAIL:

CSC Lawyers Incorporating Service
Agent for Service of Process for:
**Henkels & McCoy West, LLC; Henkels &
McCoy, Inc.; Mastec West, LLC; Mastec
North America, Inc.; and Mastec
Industrial Corp.**

Attn: CA Registered Agent Authorized
Employees: Becky DeGeorge, Koy Saechao,
Lai Saevang, Nicole Stauss, Jenn Bautista,
Trudy Desbiens, Rebecca Vang, Wendy
Harris, Melissa Dekoven, Carolyn Valle, Kaci
Ransom, Kelli Shortte, Annette Kuhlman,
Brejet Stephens, Crystal Chapman, Janette
McIntyre, Jerome Suarez, Samantha Wiltz,
and Parid Kurbini
2710 Gateway Oaks Drive #150-N
Sacramento, CA 95833

Henkels & McCoy West, LLC

Attn: Mastec, Inc. Legal Dept
800 S. Douglas Road Suite 1200
Coral Gables, FL 33134

**Mastec, Inc.; Mastec West, LLC; Mastec
North America, Inc.; and Mastec
Industrial Corp.**

Attn: Human Resources / Legal Department

800 S. Douglas Road Suite 1200
Coral Gables, FL 33134

Henkels & McCoy, Inc.

Attn: Human Resources / Legal Department
985 Jolly Road
Blue Bell, PA 19422

NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM

To: California Labor and Workforce Development Agency; Henkels & McCoy West, LLC; Henkels & McCoy, Inc.; Mastec, Inc.; Mastec West, LLC; Mastec North America, Inc.; and Mastec Industrial Corp.
Date: August 30, 2024
Subject: *Ismael Cruz v. Henkels & McCoy West, LLC, et al.*

Introduction

This office represents PLAINTIFF, Ismael Cruz (hereinafter “PLAINTIFF”) in connection with PLAINTIFF’s claims under the California Labor Code. PLAINTIFF was, at all relevant times herein mentioned, an employee of the following entities and individual managing agents of said entities: Henkels & McCoy West, LLC; Henkels & McCoy, Inc.; Mastec, Inc.; Mastec West, LLC; Mastec North America, Inc.; and/or Mastec Industrial Corp. (hereinafter, these entities and their managing agents are collectively referred to as “DEFENDANTS”). DEFENDANTS may be contacted directly at the addresses listed above.

Pursuant to California Labor Code sections 2699.3 and 2699.5, PLAINTIFF, on behalf of PLAINTIFF, and on behalf of all current and former non-exempt employees employed by any one or more of the DEFENDANTS at any location in California within one year of the date of this notice (“NON-EXEMPT AGGRIEVED EMPLOYEES”) and on behalf of all current and former exempt employees employed by any one or more of the DEFENDANTS at any location in California within one year of the date of this notice (“EXEMPT AGGRIEVED EMPLOYEES”), hereby gives written notice (“NOTICE”) of PLAINTIFF’s claims against DEFENDANTS. This NOTICE is being provided via online filing to the California Labor and Workforce Development Agency (“LWDA”) and DEFENDANTS via certified mail to their Agent(s) for Service of Process and/or entity mailing address as provided to the California Secretary of State and/or the address of the Secretary of State of the State of incorporation and/or the entity address as provided on wage statements issued by DEFENDANTS to NON-EXEMPT AGGRIEVED EMPLOYEES.

This NOTICE also serves to demonstrate PLAINTIFF’s reasonable attempt at settlement with DEFENDANTS. If DEFENDANTS are interested in settling this matter before a lawsuit is filed, DEFENDANTS may contact Crosner Legal, P.C., at the address listed at the close of this NOTICE. This settlement attempt is in compliance with relevant California law. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

This NOTICE is sent in compliance with the reporting requirements of California Labor Code sections 2699.3 and 2699.5. This NOTICE further reserves any and all rights by PLAINTIFF to amend this notice to include, amend, or add further charges upon discovery of new violations of any of the provisions of the California Labor Code. In addition, to the extent that entities and/or other individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code sections including, but not limited to sections 558.1 and 1197.1—PLAINTIFF reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue. Any further amendments and changes to this notice shall relate back to the date of this NOTICE. Consequently, DEFENDANTS are on notice that PLAINTIFF continues its investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of *any* of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein. For violations that are curable under § 2699.3(c) and that DEFENDANTS intend to cure within the statutory time period set forth in §§ 2699 and 2699.3(c), the DEFENDANTS shall provide notice including a description of the actions taken to cure. If the alleged violation is not cured within the statutory time period, PLAINTIFF will commence a civil action pursuant to section 2699. For all other violations that are not curable, an action pursuant to section 2699(a) and 2699(f) will commence after the requirements under 2699.3 are fulfilled.

Based on the following summary of facts and theories upon which PLAINTIFF will base PLAINTIFF's claims, PLAINTIFF requests that the LWDA regard this NOTICE as written notice of PLAINTIFF's intent to seek civil penalties against DEFENDANTS.

PLAINTIFF, on behalf of PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES, alleges that the specific provisions of California law that DEFENDANTS have violated, requiring this NOTICE, include but are not limited to: California Labor Code sections 201-203, 204, 208, 216, 221-223, 226, 226.2, 226.7, 227.3, 245-248.6, 432, 432.5, 432.6, 432.7, 510, 511, 512, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2100-2112, 2802, 2810.5, and all applicable Wage Orders.

The Named Entities Are Joint Employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES

California courts have recognized that the definition of “employer” for purposes of enforcement of the California Labor Code goes beyond the concept of traditional employment to reach irregular working arrangements for the purpose of preventing evasion and subterfuge of California's labor laws. *Martinez v. Combs* (2010) 49 Cal.4th 35, 65. As such, anyone who directly or indirectly, or through an agent or any other person, engages, suffers, or permits any person to work or exercises control over the wages, hours, or working conditions of any person, may be liable for violations of the California Labor Code as to that person.

PLAINTIFF is informed and believes and thereon alleges that at all relevant times DEFENDANTS and unknown entities operated as a single integrated enterprise with common ownership and centralized human resources as set forth herein. Under California law, in determining whether two defendant entities are liable as an integrated enterprise, courts consider four factors: (1) centralized

control of labor relations; (2) interrelation of operations; (3) common management; and (4) common ownership or financial control. *Laird v. Capital Cities/ABC, Inc.* (1998) 68 Cal.App.4th 727, 737 (overruled on other grounds, *Reid v. Google, Inc.* (2010) 50 Cal. 4th 512 (2010).)

PLAINTIFF believes and hereon asserts that DEFENDANTS and unknown entities must be classified as joint employers of PLAINTIFF for purposes of liability for civil penalties under PAGA, as the aforementioned entities engaged, suffered and permitted PLAINTIFF to perform services from which they benefited, and furthermore that the aforementioned entities had the right to exercise control over the wages, hours and/or working conditions of PLAINTIFF at all relevant times herein, so as to be considered the joint employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES.

For example, based on information and belief, DEFENDANTS, and each of them, maintain the same agent for service of process, principal business office/ mailing address as provided to the California Secretary of State/ Secretary of State of the State of Incorporation and/or share some of the same attorneys and/or human resources personnel to oversee employment-related matters. Also, wage statements issued by DEFENDANTS identify Henkels & McCoy West, LLC as the name of the legal entity that is PLAINTIFF's employer. However, based on information and belief, documents contained in DEFENDANTS' personnel file for PLAINTIFF, including without limitation, employment-related policies/agreements and/or other employment-related documents identify "Henkels," "Henkels & McCoy" and/or "Mastec" as the name of PLAINTIFF's employer.

By reason of their status as joint employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, they are each liable for civil penalties for violations of the California Labor Code and applicable Wage Orders as to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES.

Individual Liability Under Labor Code § 558.1

Labor Code section 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. DEFENDANTS, at all relevant times, were an employer or person acting on behalf of employer(s) who violated PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "*a natural person* who is an owner, director, officer, or managing agent of the employer." The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, any above-listed individuals meet the criteria of managing agents under California law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code §§ 203, 226, 226.7, and 1194 as further described in detail below.

PLAINTIFF intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. PLAINTIFF will ask the Court to relate the amendment of the PAGA charge and the operative complaint to the date of filing of these charges. PLAINTIFF asks and demands that DEFENDANTS put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, PLAINTIFF also offers to DEFENDANTS to place those individuals on notice if DEFENDANTS voluntarily provides their contact information.

General Information

DEFENDANTS own, operate, manage and/or staff its employees to work at the manufacturing and/or processing centers, warehouse distribution centers, facilities and/or other location(s) in California, including but not limited to the manufacturing and/or processing centers, warehouse distribution centers, facilities and/or other locations in including but not limited to, Pomona, California, and other cities throughout California. DEFENDANTS, through its various locations, serve including but not limited to, the manufacturing industry.¹ Although DEFENDANTS may operate successful companies or have a noble mission, DEFENDANTS do not comply with California's labor laws.

PLAINTIFF worked for DEFENDANTS as a non-exempt employee with a job title(s) of maintenance worker and/or a similar title(s) and/or job position(s) from in or around August 2013 through in or around July 2024. PLAINTIFF regularly worked at least eight (8) hours per day, at least five (5) days per week. DEFENDANTS paid PLAINTIFF an hourly rate for time counted by DEFENDANTS as hours worked. Based on information and belief, DEFENDANTS also compensated NON-EXEMPT AGGRIEVED EMPLOYEES with non-discretionary compensation including but not limited to, shift differential pay, non-discretionary bonus/incentive pay and/or other non-discretionary compensation. For example, DEFENDANTS compensated PLAINTIFF with non-discretionary bonus/incentive pay and/or other non-discretionary compensation.

Among other things, DEFENDANTS (1) failed and continue to fail to keep accurate and complete time records for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES; (2) failed and continue to fail to pay PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked; (3) failed and continue to fail to pay PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES at least minimum wage for all hours worked and overtime/regular rates for corresponding work; (4) failed and continue to fail to pay proper overtime wages for failure to incorporate all non-discretionary compensation into the overtime premium pay calculations; (5) failed and continue to fail to provide PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES with proper meal and/or rest breaks, and/or compensate PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of premium pay at the regular rate of compensation for missed/improper meal and/or rest periods; (6) refused and continue to refuse to make and/or falsely denied the amount of payments due to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES, including but not limited to, owed sick pay; (7) failed and continue to fail to place PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES on proper notice of their workplace rights, including but not limited to owed sick pay; (8) failed and continue to fail to provide legally compliant wage statements to PLAINTIFF

¹ See <https://www.henkels.com/contact-us/locations>. Last visited on August 29, 2024.

and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES; (9) made unlawful deductions from PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' paychecks; (10) failed and continue to fail to reimburse PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses incurred on behalf of DEFENDANTS; (11) required and continue to require PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to disclose arrests not resulting in convictions and/or to disclose convictions prior to extending an offer of employment and/or otherwise impermissibly inquired and continue to inquire into PLAINTIFF's, NON-EXEMPT AGGRIEVED EMPLOYEES', and/or EXEMPT AGGRIEVED EMPLOYEES' criminal history on their employment applications and sign off on same as a condition of employment; (12) required and continue to require PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to a term or condition that violates the law as a condition of employment. Further descriptions of the above-mentioned violations and others are explained below.

Labor Code Violations

Recordkeeping Requirement Violations: California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which allowed meal periods were provided each day.

Based on information and belief, DEFENDANTS failed, and continue to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, DEFENDANTS failed and continue to fail to keep accurate and complete records showing total hours worked by PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES by virtue of DEFENDANTS' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

DEFENDANTS failed and continue to fail to keep accurate and complete records showing total hours worked by virtue of DEFENDANTS' failure to relieve PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, DEFENDANTS further failed, and continue to fail, to record the true start and end times of PLAINTIFF's and NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods.

Based on further information and belief, DEFENDANTS further failed and continue to fail, to record the true start and end times of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES' work shifts.

Additionally, DEFENDANTS failed, and continue to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES.

DEFENDANTS' failure to keep "accurate and complete" payroll records for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject DEFENDANTS to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.²

Violations of Labor Code Sections 226(b)-(c), 1198.5, and 432:

Time and Pay Records

Labor Code section 226 and all applicable IWC Wage Orders, section 7 require that employers keep the following information on file for each employee for a minimum of three years: The employee's dates of employment; the employee's hourly rates and the corresponding number of hours worked by the employee at each hourly rate, when the employee begins and ends each work period (including meal periods) and split intervals; total hours worked by the employee; all deductions; gross wages earned; and net wages earned.

Section (b) of Labor Code section 226 further requires employers to "afford current and former employees the right to inspect or receive a copy of records pertaining to their employment upon reasonable request to the employer." Section (c) of Labor Code section 226 provides that, "an employer who receives a written or oral request to inspect or receive a copy of records pursuant to subdivision (b) pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request. A violation of this subdivision is an infraction." An employer's failure to comply within this timeframe entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 226(f).

Personnel Records

In addition to their right to time and pay records, employees, and their representatives, have the right to inspect and receive a copy of their personnel files pursuant to Labor Code section 1198.5. This statute applies to both former and current employees. Labor Code section 432 further specifies that employers must furnish copies of all employment records bearing the employee's signature.

Labor Code section 1198.5 also requires that the file be made available for inspection or receipt within a "reasonable" amount of time, but "not later than 30 calendar days from the date the employer receives a written request." An employer's failure to comply within this timeframe

² See Lab. Code §2699(f).

likewise entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 1198.5(k).

Based on information and belief, DEFENDANTS failed to timely produce or make available a current or former employee's personnel records and/or payroll records when requested pursuant to Labor Code sections 226, 1198.5, 432, and/or the applicable Wage Order. Based on information and belief, DEFENDANTS failed and continue to fail to timely produce complete payroll and personnel records when requested by NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES.

These violations subject DEFENDANTS to penalties under Labor Code sections 226, 1198.5, and 2699. Each violation of each Labor Code section and Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE and each EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.

Meal Period Violations: California law requires employers to provide employees a duty-free, uninterrupted thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and it must be provided within the first five (5) hours the employee works. Lab. Code section 512 (and all applicable IWC Wage Orders), section 11(A) and (C); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. Employers must also provide employees with a second duty-free, uninterrupted thirty (30) minute meal period when an employee works more than (10) hours in a workday, and it must be provided before the end of the 10th hour of work. *Ibid.* Meal periods can be waived, but only under the following circumstances: (1) if an employee's total work period in a day is over five (5) hours but no more than six (6) hours, the required meal period may be waived by mutual consent of the employer and employee, and (2) if an employee's total work period in a day is over ten (10) hours but no more than twelve (12) hours, the required second meal period may be waived by mutual consent of the employer and employee, but only if the first meal period was not waived. *Ibid.* Upon information and belief, PLAINTIFF did not sign a valid meal period waiver throughout PLAINTIFF's employment by DEFENDANTS.

Employers covered by any and all applicable IWC Wage Orders have an obligation to both (1) relieve their employees for at least one meal period for shifts over five hours (see above), and (2) to record having done so. If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided. All applicable IWC Wage Orders, section 7(A)(3) ("Meal periods . . . shall also be recorded"); *Brinker, supra*, 53 Cal.4th 1004, 1052-1053, citing section 7(A)(3) ("If an employer's records show no meal period for a given shift over five hours, a rebuttable presumption arises that the employee was not relieved of duty and no meal period was provided").

Employers must pay employees an additional hour of wages at the employees' regular rate of pay for each missed or unlawful meal period (e.g., less than 30 minutes, interrupted meal period, first meal period provided after five (5) hours, second meal period provided after 10 hours). Lab. Code § 226.7; all applicable IWC Wage Orders, §11(B) ("If an employer fails to provide an employee a meal period in accordance with the applicable provision of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided"); *Brinker, supra*, 53 Cal.4th 1004.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES consistently worked shifts of five and a one-half (5 ½) hours or more, entitling to at least one meal period.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES would not receive legally compliant thirty (30) minute first meal breaks. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were consistently unable to take timely, off duty, thirty-minute, uninterrupted meal periods, often being forced to take late meal periods, interrupted meal periods, and/or work through part or all their meal periods due to understaffing, the nature and constraints of their job duties and/or commentary from supervisors pressuring them to take non-compliant meal breaks or skip meal breaks completely.

For example, based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES were forced to skip their owed meal periods completely, take late meal periods and/or were interrupted during purported meal periods and/or had meal periods cut short and/or restricted to DEFENDANTS' premises and/or were otherwise required to remain on-duty during unpaid meal periods due to the need to continue assigned job duties.

For example, at times, PLAINTIFF was forced to take shortened, interrupted and or late meal periods (i.e. after working more than five (5) hours) due to the need to complete assigned job duties. Moreover, based on information and belief, DEFENDANTS' time records for PLAINTIFF reflect a precisely one-hour meal period taken on the whole and/or half hour (e.g., from precisely 12:00 PM to precisely 1:00 PM) on many, if not all days, PLAINTIFF worked during PLAINTIFF's employment. Based on information and belief, DEFENDANTS rounded and/or automatically deducted precisely thirty-minutes and/or one hour per shift for meal periods that were interrupted, cut short, on-duty and/or worked through completely, resulting in meal period law violations as well as DEFENDANTS' failure to compensate PLAINTIFF for all hours worked and the underpayment of wages owed to PLAINTIFF.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were consistently suffered and permitted to take meal periods past the fifth hour of work and/or had their meal periods interrupted, cut short, restricted to DEFENDANTS' premises and/or otherwise on duty due to commentary from supervisors, understaffing, the nature and constraints of their job duties, and/or the need to meet DEFENDANTS' goals and expectations.

Based on information and belief, DEFENDANTS implemented policies and/or practices that failed to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS' control during unpaid meal periods.

Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to complete off-the-clock work prior to their scheduled shift time which DEFENDANTS failed to take into account when scheduling meal periods for NON-EXEMPT AGGRIEVED EMPLOYEES. Based on information and belief, meal periods were late, in part due to unaccounted pre-shift off-the-clock work.

For example, based on information and belief, PLAINTIFF was forced to take late meal periods due to DEFENDANTS' failure to take into account pre-shift off-the-clock PLAINTIFF was required when scheduling any meal periods.

Based on information and belief, DEFENDANTS had actual and/or constructive knowledge that their policies and practices resulted in the denial of uninterrupted meal periods which were free of DEFENDANTS' control owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

Based on information and belief, per DEFENDANTS' uniform policy and practice, NON-EXEMPT AGGRIEVED EMPLOYEES who worked shifts of more than ten hours did not receive a second legally compliant thirty (30) minute second meal break.

Based on information and belief, despite DEFENDANTS' failure to provide lawful meal periods, DEFENDANTS implemented a policy and/or practice of rounding the start and end times of PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods and/or automatically deducting at least thirty minutes per shift for missed and/or otherwise unlawful meal periods (including meal periods restricted to DEFENDANTS' premises), despite having actual and/or constructive knowledge that PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES did not receive lawful meal periods.

Moreover, based on information and belief, DEFENDANTS failed to keep accurate records of the true start and end times of PLAINTIFF's and NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods. Based on information and belief, to the extent meal period were recorded, DEFENDANTS illegally rounded the start and end times of purported meal periods resulting in PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES not being paid for all time worked as well as late and/or shortened meal periods. *See Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58.

Based on information and belief, DEFENDANTS failed to instruct PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES as to the timing and duty-free nature of meal periods. Based on further information and belief, DEFENDANTS did not have a compliant written meal break policy, nor did DEFENDANTS have any sort of compliant policy in practice. Liability for the NON-EXEMPT AGGRIEVED EMPLOYEES can be established by evidence that an employer adopted a uniform corporate break policy that failed to give full effect to California law and the applicable Wage Order requirements. The fact that employees may legally waive meal breaks does not affect this result. *Brinker, supra*, 53 Cal.4th 1004.

PLAINTIFF is further informed and believes and thereon alleges that DEFENDANTS had actual and/or constructive knowledge that their time-rounding and/or auto-deduction policies and practices resulted in the denial of lawful meal periods owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

DEFENDANTS failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, an additional hour of wages at their respective regular rates of compensation for each workday a lawful meal period was not provided. DEFENDANTS either failed to pay a meal period premium at all for each workday a lawful meal period was not provided and/or failed to pay

the proper meal period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, bonuses, shift differential pay and/or other non-discretionary compensation into the regular rate or compensation for purposes of calculating the owed meal period premium.

The aforementioned conduct results in violations of Labor Code sections 226.7, 512, and 1198-1199, and all applicable IWC Wage Orders, section 11(A) and (C) along with all applicable IWC Wage Orders. These violations subject DEFENDANTS to civil penalties under Labor Code sections 558.1, 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the referenced statutes and Wage Order provisions were violated.³ DEFENDANTS' failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violations of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

Rest Period Violations: California law requires employers to provide employees a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or major fraction thereof. *See* applicable IWC Wage Order, §12(A). In *Brinker v. Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012), the California Supreme Court held that employees are entitled to a 10-minute paid rest period for shifts from 3 ½ to 6 hours in length, two 10-minute rest periods for shifts more than 6 hours up to 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at 1029). The rest period requirement obligates employers to permit and authorize employees to take off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269. Employers must pay employees an additional hour of wages at the employee's regular rate of pay for each missed or improper rest period (e.g., less than 10 minutes, interrupted rest period, rest period(s) at improper time(s) during shift(s). Lab. Code §226.7; applicable IWC Wage Order, §12(B) ("If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided").

Moreover, under California law rest periods must be a "net" ten minutes in a suitable rest area. *Id.* at 268 (relying on January 3, 1986 and February 22, 2002 DLSE Letters wherein the DLSE ruled that the net ten-minute language for rest periods means ten minutes of time in a rest area and cannot include time it takes to get to and from the rest area). The employer must show that it clearly articulates the right to a net ten minutes, which means it must clearly communicate what "net" ten minutes means (i.e., regardless of what happens along the way to and from a rest area, employees are entitled to a full ten minutes of rest in the rest area). *Id.*; see also, *Bufil v. Dollar Fin. Grp.*,

³ See Lab. Code §2699(f); Lab. Code §558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable IWC Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

Inc., (2008) 162 Cal. App. 4th 1193, 1199 (the “onus is on the employer to clearly communicate the authorization and permission [to take rest periods] to their employees.”).

DEFENDANTS did not properly authorize and provide PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES with legally compliant rest periods at a rate of every four (4) hours worked or major fraction thereof, that insofar as practicable, are provided in the middle of the work period, as required by law.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES were not adequately informed, authorized, instructed about, nor permitted an opportunity to take proper rest breaks per California law. Based on information and belief, DEFENDANTS had no policy in place nor instruction as to the taking of duty-free rest periods. Based on information and belief, DEFENDANTS did not have a compliant written rest period policy, nor did DEFENDANTS have any sort of compliant rest period policy in practice.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were at times if not always unable to take compliant rest periods due to their need to complete assigned job duties and/or were unable to take a net ten-minute rest period in a suitable rest area and/or had purported rest periods restricted to DEFENDANTS’ premises.

For example, based on information and belief, at times, if not always, PLAINTIFF was unable to take compliant rest periods due to PLAINTIFF’s need to complete assigned job duties and/or was unable to take a net ten-minute rest period in a suitable rest area and/or had purported rest periods restricted to DEFENDANTS’ premises.

Based on information and belief, DEFENDANTS did not have a lawful policy, instruction, or practice as to the taking, timing, or duty-free nature of rest periods. For example, based on information and belief, DEFENDANTS failed to authorize and permit rest periods that were a “net” ten minutes in a suitable rest area, and instead, to the extent rest periods were provided, DEFENDANTS limited PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES to only ten-minute rest periods, requiring them to be back at their workstations within ten minutes of leaving their work stations, in violation of California rest period law.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES’ rest periods were interrupted, cut short, on duty, restricted to premises and/or late due to understaffing, the nature and constraints of their job duties, and/or due to commentary from supervisors/ managers pressuring NON-EXEMPT AGGRIEVED EMPLOYEES to skip rest breaks completely or otherwise take non-compliant rest periods.

Moreover, based on information and belief, DEFENDANTS failed to provide any form of a third rest period on shifts lasting longer than ten hours.

Based on information and belief, DEFENDANTS implemented policies and/or practices that failed to relieve PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS’ control during rest periods.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were pressured to complete their work duties according to a designated schedule such that rest breaks were only taken once tasks were completed, and/or as time permitted.

Furthermore, DEFENDANTS failed to pay a rest period premium for each day in which NON-EXEMPT AGGRIEVED EMPLOYEES experienced a missed or otherwise unlawful rest period in violation of California law. *Bluford v. Safeway Stores, Inc.* (2013) 216 Cal. App. 4th 864, 872. DEFENDANTS failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, an additional hour of wages at their respective regular rates of pay for each workday a proper rest period was not provided. DEFENDANTS either failed to pay a rest period premium at all for each workday a lawful rest period was not provided and/or failed to pay the proper rest period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, bonuses, shift differential pay, and/or other non-discretionary compensation into the regular rate of compensation for purposes of calculating the owed rest period premium.

The aforementioned conduct results in violations of Labor Code sections 226.7, and 1198-1199, and all applicable IWC Wage Orders, §12(A). These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the referenced statutes and Wage Order provisions were violated.⁴

Failure to Provide Suitable Resting Facilities: Per section 13 of all applicable IWC Wage Orders, employees shall be provided with suitable resting facilities. Section 13(B) of the Wage Orders provides: “Suitable resting facilities shall be provided in an area separate from the toilet rooms and shall be available to employees during work hours.”

DEFENDANTS’ locations/facilities are generally similar in layout and design, and there was, and continue to be, space that allows for a resting facility that employees may use to cease work and recover during meal or rest periods. DEFENDANTS could have provided NON-EXEMPT AGGRIEVED EMPLOYEES with a resting facility within DEFENDANTS’ facilities/locations with reasonable or no modification, but instead denied and continue to deny, employees with suitable areas to rest (e.g. a breakroom). As a result, NON-EXEMPT AGGRIEVED EMPLOYEES were forced to adjust to areas not conducive to resting, including but not limited to leaning up against the wall, or search for facilities outside of DEFENDANTS’ premises which are not designated or reserved for rest, such as their personal vehicles.

DEFENDANTS did not provide NON-EXEMPT AGGRIEVED EMPLOYEES with suitable resting facilities during their hours of work, particularly during meal and/or rest periods.

⁴ See Lab. Code §2699(f) and All applicable IWC Wage Orders, §20 (establishing that “[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

DEFENDANTS' failure to provide suitable resting facilities to NON-EXEMPT AGGRIEVED EMPLOYEES violated and continue to violate the applicable Wage Order, section 13(B) and the California Labor Code, including but not limited to section 1198.

Minimum Wage Violations: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorneys' fees, and costs of suit." Labor Code section 1194.

Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. The minimum wage standard applies to each hour employees worked for which they were not paid. Pursuant to section 4 of the applicable Wage Order, "Every employer shall pay to each employee not less than the applicable minimum wage for all hours worked in the payroll period..." The applicable Wage Order defines "hours worked" as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." See §2 of all applicable Wage Orders. Therefore, employers are required to pay employees for all time spent subject to the control of the employer and all time the employee is suffered or permitted to work. An employer's failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee's total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324. Furthermore, "in any action under Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon..." *Cal. Lab. Code* § 1194.2.

DEFENDANTS failed to compensate PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked by virtue of DEFENDANTS' automatic deduction and time rounding policies for shift start and shift end times and meal period start and end times, and failure to relieve employees of all duties/employer control during unpaid meal periods or otherwise unlawful practices for missed or improper meal periods as explained above.

Based on information and belief, DEFENDANTS implemented a policy and/or practice of rounding meal period start and end times and/or automatically deducting at least thirty minutes per shift for meal periods, despite having actual and/or constructive knowledge that PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES were subject to DEFENDANTS' control during purported meal periods and/or were otherwise not afforded with lawful meal periods, depriving PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES of all wages owed.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were not paid for all hours worked due to DEFENDANTS' policy and/or practice of paying according to scheduled hours worked instead of actual time worked, and/or mandated off-the clock work policies and/or practices.

For example, based on information and belief, DEFENDANTS rounded PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES' total hours worked to at least the nearest quarter, half and/or whole hour, resulting in DEFENDANTS' failure to compensate PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked and the underpayment of wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

For example, DEFENDANTS' wage statement(s) issued to PLAINTIFF for including but not limited to the following pay periods demonstrate DEFENDANTS rounded PLAINTIFF's total hours worked to at least the nearest quarter, half and/or whole hour, resulting in DEFENDANTS' failure to compensate PLAINTIFF for all hours worked and the underpayment of wages owed to PLAINTIFF: pay period beginning on 6/24/24 and ending on 6/30/24 showing precisely 40.00 regular hours worked and precisely 10.50 overtime hours worked. Based on information and belief, DEFENDANTS rounded PLAINTIFF's total hours worked to at least the nearest quarter, half and/or whole hour during most if not all pay periods during PLAINTIFF's employment, resulting in DEFENDANTS' consistent failure to compensate PLAINTIFF for all hours worked and the underpayment of minimum wages and overtime wages owed to PLAINTIFF.

Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to be at their assigned workstations/assigned vehicles at the start of a scheduled shift, thereby forcing NON-EXEMPT AGGRIEVED EMPLOYEES to gather work-related equipment/safety gear, make any necessary adjustments to tools/equipment/their assigned vehicles, perform maintenance/cleaning tasks, don work clothing/uniforms/protective equipment, and/or complete other work tasks prior to their scheduled shift and/or prior to clocking in/signing in, thereby resulting in pre-shift off-the-clock work.

Based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES were required to stand in line behind other employees to access DEFENDANTS' time-keeping system and/or were required to spend time reinitiating DEFENDANTS' time-keeping system before they could clock in for the start of their shifts and/or after completing a purported meal period.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were required to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in off-the-clock work and the underpayment of minimum and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES. For example, based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to clock out for the end of their shifts but to continue working due to the need to return/maintain tools, clean and/or organize their work stations/areas, provide shift status updates and/or debriefings and/or participate in work meetings, respond to work-related communications and/or perform other work tasks off-the-clock, resulting in the underpayment of minimum wages and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS did not compensate NON-EXEMPT AGGRIEVED EMPLOYEES for all time spent donning and doffing personal protective equipment, safety equipment and/or uniforms/work clothing (e.g., gloves, goggles/safety glasses, hats/bump caps/safety helmets and/or face masks) during meal periods, before the start of a scheduled shift, and after completing a scheduled shift, resulting in DEFENDANTS' failure to pay

NON-EXEMPT AGGRIEVED EMPLOYEES for all work time and the underpayment of minimum wages and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were also pressured to complete at least some additional work tasks off-the-clock in order to meet DEFENDANTS' goals and expectations.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were required to complete off-the-clock work outside of scheduled shifts due to including but not limited to, work-related phone calls and/or messages they received to their phones and/or mobile devices and were required to respond to, including but not limited to, communications from supervisors regarding scheduling and/or other work tasks, resulting in the underpayment of wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS failed to pay NON-EXEMPT AGGRIEVED EMPLOYEES the applicable minimum wage for the county and/or city within which the NON-EXEMPT AGGRIEVED EMPLOYEE worked in California.

Based on information and belief, DEFENDANTS failed to pay NON-EXEMPT AGGRIEVED EMPLOYEES for time they were required to spend completing orientation, policy questionnaires, and/or time spent completing the onboarding process including but not limited to reviewing various documents and policies provided by DEFENDANTS. Based on information and belief, this work time was completed off-the-clock and was not compensated.

Based on further information and belief, DEFENDANTS implemented a time-rounding system that as applied systematically deprived PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of compensable time because the time-rounding system implemented by DEFENDANTS would almost always, if not always, result in understating actual compensable work time. DEFENDANTS' failure to pay for all time worked by virtue of their time-rounding practices resulted in the underpayment of minimum wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES as well as unpaid overtime wages for those NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day and/or more than forty (40) hours in a week.

For example, as explained herein, wage statement(s) issued by DEFENDANTS to PLAINTIFF show DEFENDANTS rounded PLAINTIFF's total hours worked to at least the nearest quarter, half and/or whole hour during some and/or all pay periods during PLAINTIFF's employment, resulting in DEFENDANTS' failure to compensate PLAINTIFF for all hours worked and the underpayment of minimum wages and overtime wages owed to PLAINTIFF.

DEFENDANTS' failure to pay for all time worked by virtue of their time rounding, auto-deduction policies and practices for unlawful meal periods, failure to provide lawful meal periods, and/or other off-the-clock work practices and policies, resulted in the underpayment of minimum wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES as well as unpaid overtime wages for those NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day and/or more than forty (40) hours in a week.

Based on information and belief, DEFENDANTS had actual and/or constructive knowledge that their time rounding policies/practices, auto-deduction policies and practices, failure to provide lawful meal periods and/or other off-the-clock work resulted in the underpayment of minimum wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's minimum wage laws.

These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 558.1, 1197.1 and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁵

Overtime Violations: California law requires employers to pay overtime equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work week. Lab. Code §510; IWC Wage Order All applicable IWC Wage Orders §3. Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in a work week. *Ibid.*

Based on information and belief, DEFENDANTS violated California's overtime laws by, among other things, failing to correctly calculate, or record, the total number of hours worked by PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES and not paying proper overtime rates for overtime worked by virtue of same.

Namely, DEFENDANTS' automatic deduction and time rounding policies and practices for meal periods and shift start times and shift end times, payment according to scheduled hours worked rather than actual time worked, off-the-clock/unpaid work completed during meal periods and/or time spent restricted to DEFENDANTS' premises and/or subject to DEFENDANTS' control during off-the-clock meal periods (described above), and/or other off-the-clock work resulted in the failure to account for all hours worked and thus the denial of minimum wages as well as overtime wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day or more than forty (40) hours in a week.

Based on information and belief, DEFENDANTS failed and continue to fail to pay a premium wage rate for all hours worked beyond eight (8) hours in a day or beyond forty (40) hours in a week.

Based on information and belief, DEFENDANTS failed and continue to fail to pay twice NON-EXEMPT AGGRIEVED EMPLOYEES' regular rate(s) of pay for time worked beyond twelve

⁵ See Lab. Code §1197.1(a) (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable IWC Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

(12) hours per workday and for time worked beyond eight (8) hours on the seventh consecutive day of work in a work week, in violation of California's overtime laws.

Based on information and belief, DEFENDANTS failed to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary piece-rate compensation, shift differential pay, bonus pay, multiple base rates of pay and/or other non-discretionary pay into the regular rate of pay used to calculate the owed overtime rate(s), resulting in the miscalculation and underpayment of overtime wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

For example, based on information and belief, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES earned non-discretionary bonus/incentive pay compensation, shift differential pay, non-discretionary bonuses/incentive pay and/or other non-discretionary compensation during pay periods in which they worked overtime, yet DEFENDANTS failed to incorporate all non-discretionary compensation into the regular rate(s) used to calculate the owed overtime rate(s), resulting in the miscalculation and underpayment of overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Additionally, DEFENDANTS also violated California's overtime laws as to those NON-EXEMPT AGGRIEVED EMPLOYEES that were subject to an Alternative Workweek Schedule (AWS). Based on information and belief, DEFENDANTS adopted an Alternative Workweek Schedule (AWS) during the relevant period that was an unlawful AWS as it was not properly elected and/or implemented in accordance with the requirements of California law and/or DEFENDANTS failed to comply with the AWS, and as such, DEFENDANTS violated California's overtime laws, including but not limited to, Labor Code sections 510, 511, the applicable Wage Order, and Labor Code section 1198. Based on information and belief, DEFENDANTS failed to properly adopt an AWS in accordance with Labor Code section 511 and 1199, and the applicable Wage Order:

(C) Election Procedures Election procedures for the adoption and repeal of alternative workweek schedules require the following: (1) Each proposal for an alternative workweek schedule shall be in the form of a written agreement proposed by the employer. The proposed agreement must designate a regularly scheduled alternative workweek in which the specified number of workdays and work hours are regularly recurring. The actual days worked within that alternative workweek schedule need not be specified. The employer may propose a single work schedule that would become the standard schedule for workers in the work unit, or a menu of work schedule options, from which each employee in the unit would be entitled to choose. If the employer proposes a menu of work schedule options, the employee may, with the approval of the employer, move from one menu option to another. (2) In order to be valid, the proposed alternative workweek schedule must be adopted in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit. The election shall be held during regular working hours at the employees' work site. For purposes of this subsection, "affected employees in the work unit" may include all employees in a readily identifiable work unit, such as a division, a department, a job classification, a shift, a separate physical location, or a recognized subdivision of any such work unit. A work unit may consist of an individual employee as long as the criteria for an identifiable work unit in this subsection is met. (3) Prior to the secret ballot vote, any employer who proposed to institute an alternative workweek schedule shall have

made a disclosure in writing to the affected employees, including the effects of the proposed arrangement on the employees' wages, hours, and benefits. Such a disclosure shall include meeting(s), duly noticed, held at least 14 days prior to voting, for the specific purpose of discussing the effects of the alternative workweek schedule. An employer shall provide that disclosure in a non- English language, as well as in English, if at least five (5) percent of the affected employees primarily speak that non-English language. The employer shall mail the written disclosure to employees who do not attend the meeting. Failure to comply with this paragraph shall make the election null and void. (4) Any election to establish or repeal an alternative workweek schedule shall be held at the work site of the affected employees. The employer shall bear the costs of conducting any election held pursuant to this section. Upon a complaint by an affected employee, and after an investigation by the Labor Commissioner, the Labor Commissioner may require the employer to select a neutral third party to conduct the election. (5) Any type of alternative workweek schedule that is authorized by the Labor Code may be repealed by the affected employees. Upon a petition of one-third (1/3) of the affected employees, a new secret ballot election shall be held and a two-thirds (2/3) vote of the affected employees shall be required to reverse the alternative workweek schedule. The election to repeal the alternative workweek schedule shall be held not more than 30 days after the petition is submitted to the employer, except that the election shall be held not less than 12 months after the date that the same group of employees voted in an election held to adopt or repeal an alternative workweek schedule. The election shall take place during regular working hours at the employees' work site. If the alternative workweek schedule is revoked, the employer shall comply within 60 days. Upon proper showing of undue hardship, the Division of Labor Standards Enforcement may grant an extension of time for compliance. (6) Only secret ballots may be cast by affected employees in the work unit at any election held pursuant to this section. The results of any election conducted pursuant to this section shall be reported by the employer to the Office of Policy, Research and Legislation within 30 days after the results are final, and the report of election results shall be a public document. The report shall include the final tally of the vote, the size of the unit, and the nature of the business of the employer. (7) Employees affected by a change in the work hours resulting from the adoption of an alternative workweek schedule may not be required to work those new work hours for at least 30 days after the announcement of the final results of the election. (8) Employers shall not intimidate or coerce employees to vote either in support of or in opposition to a proposed alternative workweek.

No employees shall be discharged or discriminated against for expressing opinions concerning the alternative workweek election or for opposing or supporting its adoption or repeal. However, nothing in this section shall prohibit an employer from expressing his/her position concerning that alternative workweek to the affected employees. A violation of this paragraph shall be subject to Labor Code § 98 et seq.

On information and belief, PLAINTIFF alleges that DEFENDANTS failed to comply with the above procedures, and thus, failed to properly institute an alternative workweek for the purpose of obtaining a lawful exemption from overtime premiums for its mandated alternative workweek schedule. Based on information and belief, DEFENDANTS also failed to report the results to the Office of Policy, Research, and Legislation, or the DLSE, within thirty after the purported election results, and thus, violated Labor Code §§ 511, 1199, and the Applicable Wage Orders. This conduct results in violations of Labor Code §§ 510, 511, and 1198- 1199, and the Applicable Wage

Orders. These violations subject employer to civil penalties under Labor Code §§ 558 and 2699, and All Applicable Wage Orders. Each violation of each Labor Code section and Wage Order provision results in a separate civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated. Moreover, to the extent there was an AWS that was properly adopted, DEFENDANTS violated California's overtime laws as to NON-EXEMPT AGGRIEVED EMPLOYEES that were subject to an Alternative Workweek Schedule (AWS) but were required to work shifts shorter than the agreed upon AWS. Under the relevant Wage Order, "If an employer... requires an [AWS] employee to work fewer hours than those that are regularly scheduled by the agreement, the employer shall pay the employee overtime compensation at a rate of one and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours... for the day the employee is required to work the reduced hours." See Section 3 of all applicable Wage Orders. Based on information and belief, at times during NON-EXEMPT AGGRIEVED EMPLOYEES' respective employments by DEFENDANTS, NON-EXEMPT AGGRIEVED EMPLOYEES worked subject to an alternative work week schedule. Based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES that were subject to an AWS, were sent home early and/or worked less hours than those that were scheduled under the AWS. On such shortened shifts, NON-EXEMPT AGGRIEVED EMPLOYEES were entitled to overtime pay at 1.5 times the regular rate of pay after the first eight hours of work. Instead, DEFENDANTS paid NON-EXEMPT AGGRIEVED EMPLOYEES their base rate for all hours worked on the shortened shift(s) in violation of the alternative workweek schedule, and in violation of California Labor Code section 510, the applicable Wage Order, and Labor Code section 1198. As such, NON-EXEMPT AGGRIEVED EMPLOYEES that were subject to an AWS were also deprived of all owed overtime wages when required to work shortened shifts.

This conduct results in violations of Labor Code sections 218.5, 510, 511, 558, 558.1, 1198-1199, and all applicable IWC Wage Orders, §12(A). These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 558.1, 218.5, and 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁶

Violation of California Labor Code §§ 245-248.5: Throughout the relevant time period, DEFENDANTS failed to provide proper paid sick leave to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES. DEFENDANTS either failed to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to work completed during unpaid meal periods and by failing to

⁶ See Lab. Code §2699(f); Lab. Code §558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay, commission and/or piece-rate compensation and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, DEFENDANTS further failed to provide notice of the correct sick leave amount balance available to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES on their wage statements or other written statements.

Based on information and belief, DEFENDANTS failed to put NON-EXEMPT AGGRIEVED on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, DEFENDANTS failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the NON-EXEMPT AGGRIEVED EMPLOYEE throughout the relevant time period.

Based on information and belief, throughout the relevant period, DEFENDANTS failed to provide notice of sick leave amount balance left for PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, thus affecting their intelligent exercise of their paid sick leave. But for this failure, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and PLAINTIFF seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES.

In violation of Labor Code section 247.5, DEFENDANTS failed to maintain records documenting the hours worked and paid sick days accrued and used by PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES, permitting the presumption that PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES were entitled to the maximum number of hours accruable under this article.

Upon information and belief, DEFENDANTS further failed and continue to fail to comply with Labor Code section 246, by failing to provide PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

DEFENDANTS unlawfully retained and continue to retain paid sick leave that should have been paid but was not, as a result of DEFENDANTS' failure to properly institute a paid sick leave program.

On information and belief, PLAINTIFF alleges that all of these practices were experienced and continue to be experienced by other NON-EXEMPT AGGRIEVED EMPLOYEES.

PLAINTIFF requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to

DEFENDANTS' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. PLAINTIFF requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

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

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

These violations subject DEFENDANTS to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute's provisions were violated.⁷

Wage Statement Violations: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his or her employees with an accurate itemized wage statement in writing that contains the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Cal. Lab. Code. section 226(a).

As DEFENDANTS failed to provide PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES with meal and rest periods that complied with Labor Code section 226.7, the wage statements DEFENDANTS issued to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES failed and continue to fail to correctly set forth (a) the gross wages earned, in violation of Labor Code section 226(a)(1); (b) the total hours worked by the employee in violation of Labor Code section 226(a)(2); (c) the net wages earned, in violation of Labor Code section 226(a)(5); and (d) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

⁷ Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

DEFENDANTS' issued wage statements to PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES that also failed to indicate the earned gross and net wages earned during the pay period, the correct applicable rates of pay for all hours worked, and the "total hours worked" by PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES (by virtue of rounded time entries, automatic deduction for meal periods/failure to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and employer control during unpaid meal periods, payment according to scheduled hours worked rather than actual hours worked, and/or other off-the-clock work policies and practices described above), which results in a violation of Labor Code section 226(a).

Failure to list all hours worked on a wage statement, gives rise to an inference of injury under Labor Code Section 226 (*Maldonado v. Epsilon Plastics, Inc.*, (2018) 22 Cal.App.5th 1308, 1337).

Separately, and independent of the above allegations, based on information and belief, DEFENDANTS issued wage statements to NON-EXEMPT AGGRIEVED EMPLOYEES that failed to list the total hours worked, in violation of including but not limited to, Labor Code section 226 (a)(2).

Based on information and belief, wage statements issued by DEFENDANTS failed to list the inclusive dates of the pay period for which the NON-EXEMPT AGGRIEVED EMPLOYEE or EXEMPT AGGRIEVED EMPLOYEE is being paid. For example, based on information and belief, wage statements issued by DEFENDANTS failed to list the inclusive dates of the pay period for which the NON-EXEMPT AGGRIEVED EMPLOYEE is being paid in violation of including but not limited to, Labor Code section 226(a)(2) and/or Labor Code section 226(a)(6). For example, based on information and belief, at times, DEFENDANTS issued wage statements to NON-EXEMPT AGGRIEVED EMPLOYEES containing payment for hours worked during previous pay periods, yet DEFENDANTS' wage statements do not include the inclusive dates of the accurate pay period for that pay, further failing to list the total hours worked for the pay period, including but not limited to, the total hours worked for the pay period the retroactive pay corresponds with.

Based on information and belief, DEFENDANTS issued wage statements to NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES that fail to accurately list all deductions, in violation of Labor Code section 226(a)(4).

DEFENDANTS' failure to accurately list all hours worked on all wage statements caused confusion to PLAINTIFF and caused and continue to cause confusion to the NON-EXEMPT AGGRIEVED EMPLOYEES over whether they received all wages owed to them. PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES were injured by DEFENDANTS' failure to provide accurate wage statements.

In addition, because of the violations detailed above, including but not limited to, not paying regular and overtime wages for all hours worked, not paying all sick leave wages at the proper rates, and failing to provide meal and rest break premiums, DEFENDANTS have violated California Labor Code § 226 by willfully failing to furnish PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES with accurate, itemized wage statements. As described herein, based on information and belief, DEFENDANTS also failed to incorporate all forms of non-discretionary

compensation earned during the pay period into the overtime pay rate calculation, and as such, failed to display the proper overtime rate(s) for each hour of overtime worked by PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, wage statements issued by DEFENDANTS failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9) due to DEFENDANTS' failure to list an overtime rate category at all and/or failure to list a category containing the proper overtime rate.

For example, based on information and belief, DEFENDANTS issued wage statements to PLAINTIFF that do not provide an accurate overtime rate because instead of multiplying the regular rate of pay by one and one-half, the wage statements either fail to provide an accurate overtime rate of pay that incorporates all non-discretionary remuneration and/or the wage statements provide at least two (2) separate overtime rate categories with each/all providing corresponding rates that are either the same as the base and/or list a rate that is half the base rate of pay and/or otherwise fail to list the accurate overtime rate of pay. As such, DEFENDANTS do not list an accurate overtime rate anywhere on wage statements issued to NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California law, including but not limited to, Labor Code section 226(a)(9).

Moreover, based on information and belief, DEFENDANTS issued wage statements to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES that further violate Labor Code section 226(a), by among other things, failing to list the correct name and/or address of the legal entity that is the employer.

As a result, the wage statements provided to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were not accurate and did not include all of the statutorily required information.

These violations subject DEFENDANTS to civil penalties under Labor Code section 226. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE and each EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated.⁸

Unlawful Deductions: Labor Code section 221 prohibits an employer from “collect[ing] or receiv[ing] from an employee any part of wages theretofore paid by said employer to said employee.” Based on information and belief DEFENDANTS made unlawful deductions from NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES paychecks during the relevant period including without limitation, deducting business costs and/or deducting wages for purported overpayments from previous pay periods and/or unlawfully deducting wages for negligently damaged property and/or unlawfully deducting transaction fees/pay/money card fees and/or deducting costs advanced by DEFENDANTS. Such a practice is in violation of

⁸ See Lab. Code §226.3 (establishing that the civil penalty is “per employee per violation”).

including but not limited to, Labor Code Sections 221-222 which subjects DEFENDANTS to civil penalties under Labor Code Section 2699.

Each violation results in a separate civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE and EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated. See Lab. Code §225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of Section 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”).

Semimonthly Payment Violations: Labor Code section 204 requires that all earned wages must be paid to employees twice during each calendar month. DEFENDANTS violated this section by, including but not limited to, failing to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of pay for meal and rest periods not provided and/or otherwise unlawful, by failing to compensate employees for all hours worked, and by failing to pay proper premium wage rates for all hours worked. These violations subject DEFENDANTS to civil penalties under Labor Code section 210. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute’s provisions were violated.

Reporting Time Pay Violations: Section 5 of all applicable IWC Wage Orders, provides as follows:

(A) Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage. (B) If an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting

NON-EXEMPT AGGRIEVED EMPLOYEES were not paid reporting time wages in accordance with California law, including but not limited to the applicable IWC Wage Order. For example, based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES reported to work for a scheduled shift but were sent home and/or were not put to work and were not paid all owed reporting time pay wages in accordance with California law.

Based on information and belief, DEFENDANTS have a policy and practice of failing to pay all reporting time wages to NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California law, including but not limited to, the applicable IWC Wage Order, Section 5. DEFENDANTS’ failure to pay all reporting time wages to NON-EXEMPT AGGRIEVED EMPLOYEES violated and continue to violate the applicable Wage Order, section 5(A)-(B) and the California Labor Code, including but not limited to section 1198.

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

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

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

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

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

Based on information and belief, DEFENDANTS failed to provide NON-EXEMPT AGGRIEVED EMPLOYEES with suitable seating, and when such employees were not engaged in duties which required them to stand, no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that NON-EXEMPT AGGRIEVED EMPLOYEES were working. Lastly, based on information and belief, there were periods of time when NON-EXEMPT AGGRIEVED EMPLOYEES were not engaged in active duties of their employment, yet there were no suitable seats in reasonable proximity to the work area and use of seats would not interfere with the performance of their duties.

DEFENDANTS' NON-EXEMPT AGGRIEVED EMPLOYEES worked in various positions. The nature of NON-EXEMPT AGGRIEVED EMPLOYEES' work reasonably permitted the use of seats. However, DEFENDANTS failed to provide suitable seating in reasonable proximity to NON-EXEMPT AGGRIEVED EMPLOYEES' work areas in violation of section 14(A-B) of all applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting DEFENDANTS to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.⁹

Standard Conditions of Labor Violations: Together, Labor Code sections 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including sections 1174, 1197, and 1198, or order or ruling of the commission.

⁹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Therefore, DEFENDANTS' violations, including but not limited to, with respect to meal periods, rest periods, recordkeeping provisions, minimum wages and overtime wages, business expenses, and other violations described herein result in separate violations of sections 1198 and 1199, which subject DEFENDANTS to civil penalties under Labor Code sections 1197.1 and 2699.

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

As described above, DEFENDANTS willfully and systematically denied PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. DEFENDANTS acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, DEFENDANTS paid PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES lower wages than those they were entitled to while purporting that PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES were properly paid. As such, PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off: California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, DEFENDANTS had and continue to have a uniform policy and practice of failing to allow NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to use their earned vacation/paid time off during their employment and failing to pay all vested, accrued paid time off (including but not limited to, all owed vacation pay/paid time off paid at the final rate including non-discretionary compensation, including but not limited to, shift differentials) to NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Final Pay Violations: Labor Code section 201 requires employers to pay all wages earned and unpaid at the time of discharge, immediately upon discharge. California Labor Code section 201(a) provides, in relevant part, that "[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." California Labor Code section 202(a) provides, in relevant part, that "[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Pursuant to Labor Code section 203, an employer that willfully fails to pay wages due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty equal to the employee's

daily wages for each day, not exceeding 30 days, that the wages are unpaid. This 30-day waiting time penalty is recoverable under the PAGA via Labor Code Section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also, *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

Based on information and belief, DEFENDANTS failed to timely pay NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES all wages that were due and owing upon termination or resignation. Based on information and belief, DEFENDANTS untimely provide final wages to NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES without regard to the timing requirements of Labor Code sections 201-202.

Upon separation of employment, NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' final paychecks were not timely provided and/or were not timely provided with all owed vacation pay and/or paid time off. Moreover, NON-EXEMPT AGGRIEVED EMPLOYEES' final paychecks, once provided, did not include all wages owed as they were devoid of, including but not limited to, all owed minimum wages, overtime wages, premium wages, vacation pay, all owed sick leave and/or paid time off wages at the properly accrued rates (including but not limited to, all owed vacation pay/paid time off paid at the final rate including non-discretionary compensation, including but not limited to, shift differentials).

Based on further information and belief, DEFENDANTS failed to timely provide all owed wages immediately upon discharge of employment. Based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES experienced breaks in employment caused by DEFENDANTS whereby NON-EXEMPT AGGRIEVED EMPLOYEES would not be called in for work for longer than a single pay period due to including but not limited to DEFENDANTS' lack of work or lack of assignments. Such instances qualify as a discharge of employment. Yet, DEFENDANTS failed to timely pay all owed wages at the end of such periods of employment, in violation of including but not limited to Labor Code section 201-202.

These violations subject DEFENDANTS to civil penalties under Labor Code sections 203, 210, and/or 256. Each violation results in a *separate* civil penalty, for each EXEMPT AGGRIEVED EMPLOYEE and each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute provisions were violated.¹⁰

Violation of Labor Code Section 208: Labor Code Section 208 provides: Every employee who is discharged shall be paid at the place of discharge, and every employee who quits shall be paid at the office or agency of the employer in the county where the employee has been performing labor. All payments shall be made in the manner provided by law.

Based on information and belief, DEFENDANTS have a policy and practice of failing to provide NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES who are terminated with their final paychecks at the place of discharge and/or of failing to provide NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES

with their final paychecks at the office or agency of DEFENDANTS in the county where the work was performed, in violation of Labor Code Section 208.

Business Expense Violations: California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. *See* Cal. Lab. Code § 2802(a) and all applicable Wage Orders, § 9 (b). Furthermore, “for purposes of [section 2802], the term ‘necessary expenditure or losses’ shall include all reasonable costs, including, but not limited to, attorneys’ fees incurred by the employee enforcing the rights granted by this section.”

Among other things, under California law, when tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. *See* applicable IWC Wage Order, § 9 (b).

Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell phone bills. *See Cochran v. Schwan’s Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145

California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554.

Further, “any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State.” *See* Cal. Lab. Code § 2804.

Based on information and belief, PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were improperly required to provide and maintain work tools that are supposed to be the responsibility of the employer.

Based on information and belief, DEFENDANTS shifted the costs of doing business onto NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES by requiring them to pay for their business expenses including but not limited to, work-related hand tools/equipment, uniforms/work clothing/work shoes/personal protective/safety gear and the use of NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES’ personal vehicles and/or personal cell phones/mobile devices, internet and/or data usage for work-related purposes, including but not limited to, to receive and respond to work-related messages and/or phone calls.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES were required to receive and respond to work-related calls and/or messages from supervisors and/or other employees regarding scheduling

and/or other work tasks but were not reimbursed by DEFENDANTS at all and/or in full for these business expenses.

For example, DEFENDANTS required PLAINTIFF to use his personal cell phone/mobile device/internet usage to carry out PLAINTIFF's assigned job duties, including but not limited to, to receive and respond to work-related calls and/or messages from supervisors and/or other employees regarding scheduling and/or other work tasks, but PLAINTIFF was not reimbursed by DEFENDANTS at all and/or in full for these business expenses.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES were not reimbursed for the cost of purchasing and/or maintaining their own hand tools and/or equipment required to perform their assigned job duties and/or for the costs of purchasing and/or maintaining work uniforms/clothing/shoes and/or protective gear (e.g., gloves and/or face masks).

As explained above, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were not reimbursed for the cost of using their personal phone(s)/mobile device(s) for work-related purposes and/or the cost of purchasing and/or maintaining work uniforms/work clothing/work shoes, personal protective/safety gear/hand tools/equipment.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were improperly required to pay for business expenses that are supposed to be the responsibility of DEFENDANTS.

As a pattern and practice, DEFENDANTS regularly failed to reimburse and indemnify NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses. Pursuant to California Labor Code section 2802, PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were entitled to be reimbursed for all reasonable expenses associated with carrying out DEFENDANTS' orders and/or carrying out the duties assigned by DEFENDANTS.

As described herein, DEFENDANTS regularly failed to reimburse and indemnify PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for all reasonable expenses associated with carrying out their job duties. DEFENDANTS' failure to provide PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES with full reimbursement for all reasonable expenses associated with carrying out their duties required that PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

Violation of Labor Code Sections 2100-2112:

Pursuant to Labor Code Sections 2100-2112, employers with one hundred (100) or more employees at a single warehouse distribution center, or one thousand (1,000) or more employees at one or more warehouse distribution centers in California are required to provide nonexempt employees, upon hire, with a written description of each quota they are subject to (e.g., quantified

number of tasks to be performed or materials to be handled) within a defined period of time and any potential adverse employment action that may result from failure to meet the quota. Labor Code Section 2102 (see below) prohibits adverse employment actions against employees who fail to meet their quota if the quota was not properly disclosed to the employee and prohibits quotas that prevent an employee from taking his or her meal or rest breaks, use of restrooms, or that interfere with compliance with California's occupational health and safety laws.

Labor Code Section 2101 provides:

Each employer shall provide to each employee, upon hire, or within 30 days of the effective date of this part, a written description of each quota to which the employee is subject, including the quantified number of tasks to be performed or materials to be produced or handled, within the defined time period, and any potential adverse employment action that could result from failure to meet the quota.

Labor Code Section 2102 provides:

An employee shall not be required to meet a quota that prevents compliance with meal or rest periods, use of bathroom facilities, including reasonable travel time to and from bathroom facilities, or occupational health and safety laws in the Labor Code or division standards. An employer shall not take adverse employment action against an employee for failure to meet a quota that does not allow a worker to comply with meal and rest periods, or occupational health and safety laws in the Labor Code or division standards, or for failure to meet a quota that has not been disclosed to the employee pursuant to Section 2101.

Labor Code Section 2104 provides in pertinent part:

(a)(1) If a current or former employee believes that meeting a quota caused a violation of their right to a meal or rest period or required them to violate any occupational health and safety laws in the Labor Code or division standards, they have the right to request, and the employer shall provide, a written description of each quota to which the employee is subject and a copy of the most recent 90 days of the employee's own personal work speed data.

(2) If a former employee requests a written description of the quotas to which they were subject and a copy of their own personal work speed data pursuant to paragraph (1), the employer shall provide 90 days of the former employee's quotas and personal work speed data for the 90 days prior to the date of the employee's separation from the employer.

(b) An employer that receives a written or oral request for information pursuant to subdivision (a) shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request.

Based on information and belief, during the relevant period, DEFENDANTS employed 100 or more NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES at a single warehouse distribution center and/or employed 1,000 or more NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES at one or more distribution centers in California rendering DEFENDANTS subject to the provisions of Labor Code Sections 2100-2112, during the relevant period.

Based on information and belief, DEFENDANTS had/have a policy and practice of failing to provide NON-EXEMPT AGGRIEVED EMPLOYEES, upon hire, with a written description of each quota they are subject to (e.g., quantified number of tasks to be performed or materials to be handled) within a defined period of time and any potential adverse employment action that may result from failure to meet the quota. Based on further information and belief, DEFENDANTS had/have a policy and practice of subjecting NON-EXEMPT AGGRIEVED EMPLOYEES to quotas that prevented those NON-EXEMPT AGGRIEVED EMPLOYEES from taking their meal and rest periods and/or using bathroom facilities and/or interfered with compliance of California's occupational health and safety laws.

Based on further information and belief, DEFENDANTS have/had a policy and practice of subjecting NON-EXEMPT AGGRIEVED EMPLOYEES to adverse employment actions for failure to meet a quota that was not disclosed pursuant to Labor Code Section 2101 and/or did not allow them to comply with meal and rest period laws and/or occupational health and safety laws, in violation of Labor Code section 2102.

Based on information and belief, DEFENDANTS failed and continue to fail to timely produce upon written and/or oral request by current and/or former NON-EXEMPT AGGRIEVED EMPLOYEES of the belief that meeting a quota caused a violation of their right to a meal or rest period and/or required them to violate any occupational health and safety laws, a written description of each quota to which the employee is subject and/or a copy of the most recent 90 days of the NON-EXEMPT AGGRIEVED EMPLOYEE's own personal work speed data.

As a result of DEFENDANTS' acts and omissions, DEFENDANTS violated Labor Code section 2100-2112 as to NON-EXEMPT AGGRIEVED EMPLOYEES and are subject to civil penalties.

Unlawful Agreements and/or Unlawful Waivers:

Unlawful Agreements

Labor Code section 432.5 provides that "no employer...shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer...to be prohibited by law." Based on information and belief, DEFENDANTS required PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to unlawful conditions of employment including but not limited to unlawful non-solicitation/non-compete agreements, unlawful confidentiality and/or nondisclosure agreements, unlawful releases and/or waivers, including but not limited to, unlawful meal period waivers, unlawful forum selection clauses and/or choice of law provisions/agreements and/or unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

Labor Code section 432.6(a), provides that "a person shall not, as a condition of employment, continued employment, or the receipt of any employment-related benefit, require any applicant for employment or any employee to waive any right..."Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to sign meal period waivers that were universally signed as a condition of employment, including but not limited to, during the onboarding process. By requiring NON-EXEMPT AGGRIEVED EMPLOYEES to sign unlawful meal period waivers as a condition of obtaining and/or maintaining employment,

DEFENDANTS violated Labor Code section 432.5. Further, these invalid waivers are otherwise unlawful under Labor Code section 432.6.

By requiring NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to unlawful provisions as a condition of employment, DEFENDANTS violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, DEFENDANTS asked NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, DEFENDANTS, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), asked NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking about arrests not resulting in convictions, DEFENDANTS violated Labor Code section 432.7. By asking about convictions at the application phase or prior to extending an employment offer, DEFENDANTS violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, DEFENDANTS violated Labor Code section 432.5 by requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to other unlawful agreements, including but not limited to, an unlawful waiver of PAGA and or representative actions as a condition of employment.

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

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

Upon information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree, in writing, to an unlawful PAGA waiver, DEFENDANTS required written agreement to an unlawful provision as a condition of employment which is a violation of labor code section 432.5.

As such, PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES continue to be subject to various unlawful provisions as a condition of employment.

Conclusion

DEFENDANTS have violated the above-referenced California Labor Code provisions, the applicable IWC Wage Order, including but not limited to all applicable Wage Orders, as well as other laws, and is liable for all applicable premium wages, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES seek to recover include, but are not limited to, the statutory and civil penalties specified above.

Labor Code § 2699.3 requires that a claimant send a certified letter (i.e. this NOTICE) to the employer in question and file an online claim to the LWDA setting forth the claims and the basis for the claims, thereby giving the LWDA an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this NOTICE is to satisfy the requirements created by Labor Code §§ 2699, 2699.3(a), 2699.3(b), 2699.3(c), and 2699.5, prior to seeking penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action. We look forward to determining whether the LWDA intends to take any action in reference to these claims. We kindly ask that you respond to this NOTICE according to the time frame contemplated by the code.

If the LWDA elects not to take any action with respect to any of the foregoing claims, PLAINTIFF will seek these penalties in a civil action, on behalf of PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES of DEFENDANTS within one year of the date of this letter as allowed by law.

Please advise if your office intends to investigate any of the factual and legal allegations and provide notice within sixty-five days of the date of this NOTICE to our office and to that of other charged parties. Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Kiara Bramasco, Esq.
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills, CA 90210
Main: 866.276.7637

Fax: 310.510.6429
Email: kiara@crosnerlegal.com

Thank you for your attention to this matter.

Best Regards,

A handwritten signature in black ink, reading "Kiara Bramasco". The signature is written in a cursive, flowing style.

Kiara Bramasco, Esq.
CROSNER LEGAL, PC

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-1048274-24
Plaintiff for PAGA Case: Ismael Cruz
Filer/Attorney for PAGA Case: Zachary Crosner
Law Firm for PAGA Plaintiff: Crosner Legal, P.C.
Employer: Henkels & McCoy West, LLC
Date Case Received:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: Los Angeles County Superior Court
PAGA Court Case Number: 24STCV29074
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Court Complaint Submitted on 06/25/2026 04:33:50 PM by Zachary Crosner	2026.06.22 - Cruz - FAC_Conformed.pdf	06/25/2026 04:33 PM	Court Complaint
Court Complaint Submitted on 11/06/2024 09:51:32 AM by Zachary Crosner	2024.11.05 - Cruz (01455) - Conformed PAGA Complaint.pdf	11/06/2024 09:51 AM	Court Complaint
PAGA Notice Submitted on 08/30/2024 10:38:56 AM by Zachary Crosner	2024.08.30-Cruz(01455) v Henkels, et al.)-PAGA Notice.pdf	08/30/2024 10:39 AM	PAGA Notice

Exhibit 5



Vardui Sarkisian <vardui@crosnerlegal.com>

Thank you for your Court Complaint Submission.

1 message

DIR PAGA Unit <no-reply@formassembly.com>
To: vardui@crosnerlegal.com

Thu, Jun 25, 2026 at 4:34 PM

06/25/2026 04:33:50 PM

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

Item submitted: Court Complaint

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Exhibit 6