

Tuvia Korobkin, Esq. (SBN 268066)
tuvia@marqueelaw.com
Neil M. Larsen, Esq. (SBN 276490)
neil@marqueelaw.com
MARQUEE LAW GROUP, A.P.C.
9100 Wilshire Boulevard, Suite 445 East Tower
Beverly Hills, California 90212
Tel: (310) 275-1844
Fax: (310) 275-1801

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO**

KYLE KELLUM, on behalf of himself and all
others similarly situated,

Plaintiff,

vs.

ACE PLUMBING & ROOTER INC., a
California Corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: CGC-24-617510

**CLASS ACTION AND PAGA
REPRESENTATIVE ACTION**

*[Assigned for all purposes to the
Hon. Ethan P. Schulman, Dept. 304]*

**DECLARATION OF NEIL M. LARSEN
IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA ACTION SETTLEMENT**

Date: August 18, 2026
Time: 11:00 a.m.
Dept.: 304

[Hearing Date and Time Was
Approved By Dept. 304]

Action Filed: August 26, 2024
Trial Date: None Set

1 I, NEIL LARSEN, declare as follows:

2 1. I am an attorney with Marquee Law Group, counsel for Plaintiff Kyle Kellum
3 (“Plaintiff”) and the putative class in the above-captioned matter. I am a member in good standing
4 of the bar of the State of California and am admitted to practice in this Court. I have personal
5 knowledge of the facts stated in this declaration and could testify competently to them if called
6 upon to do so.

7 2. I am a 2010 graduate of Santa Clara University School of Law. I was admitted to
8 the California State Bar in June 2011 after passing the bar examination on my first attempt. From
9 January 2012 to February 2026, I worked as an attorney at several prominent employment law
10 firms in Los Angeles County. The vast majority of my work at these firms focused on representing
11 employees in wage and hour and wrongful termination actions, including wage and hour class
12 actions. Although non-exhaustive, the types of work I performed at those firms include:
13 conducting client intakes; performing pre-filing research and analysis; drafting complaints;
14 attending court hearings; corresponding with opposing counsel; drafting and responding to
15 written discovery; preparing for and taking and defending depositions; analyzing payroll and
16 timekeeping records and employee handbooks; drafting and opposing a variety of motions
17 including motions for summary judgment, motions for remand, demurrers and motions to dismiss,
18 motions to compel, motions to quash, and motions for class certification; drafting mediation briefs
19 and attending mediations; drafting long-form settlement agreements; drafting motions for
20 preliminary and final settlement approval; and overseeing the claims and/or opt-out processes.

21 3. Since February 2026, I have worked at my current firm, Marquee Law Group. I
22 am currently staffed on a significant number active wage and hour class actions in both state and
23 federal court in which I play a significant role. The type of work I perform in my current position
24 include, but are not limited: drafting class and representative action complaints, corresponding
25 with clients and opposing counsel, drafting and responding to written discovery requests, drafting
26 letters to the Labor & Workforce Development Agency, drafting mediation briefs and Settlement
27 Agreements, analyzing payroll and timekeeping records and employee handbooks, conducting
28 legal research, and drafting motions and other pleadings.

4. The following is a non-exhaustive list of wage and hour class actions in which I have been appointed as class counsel and/or played a significant role in prosecuting the litigation, and which have received final approval: *Espinoza v. Vander-Bend Manufacturing, LLC*, California Superior Court, Santa Clara County, Case No. 1-15-CV-283929 (granted final approval of settlement on behalf of non-exempt employees in California); *Galeano v. American ETC., Inc. dba Royal Laundry*, California Superior Court, San Mateo County, Case No. CIV534888 (granted final approval of settlement on behalf of non-exempt employees in California); *Granciano v. Southwind Foods, LLC, et al.*, California Superior Court, Los Angeles County, Case No. BC538900 (granted final approval of settlement on behalf of non-exempt employees in California); *Moppin v. Fastaff, LLC*, California Superior Court, Stanislaus County, Case No. 2020283 (granted final approval of settlement on behalf of non-exempt employees in California); *Reyes v. Pentagon Technologies Group, Inc.*, California Superior Court, Alameda County, Case No. HG15767111 (granted final approval of settlement on behalf of non-exempt employees in California); *Salgado v. Safran USA, Inc.*, California Superior Court, Orange County, Case No. 30-2018-00969981-CU-OE-CXC; *Torres v. J J Motorcars, Inc., et al.*, California Superior Court, Los Angeles County, Case No. BC655446 (granted final approval of settlement on behalf of non-exempt employees in California); *Mustapha v. Palm Springs Motors, Inc.*, California Superior Court, Riverside County, Case No. RIC2003035 (granted final approval of settlement on behalf of non-exempt employees in California); *Ceballos v. Flair Cleaners, Inc.*, California Superior Court, Los Angeles County, Case No. 20STCV28196 (granted final approval of settlement on behalf of non-exempt employees in California); *Hernandez v. Spectra Company*, California Superior Court, Los Angeles County, Case No. 20STCV39910 (granted final approval of settlement on behalf of non-exempt employees in California); *Bojorquez v. JIPC Ventures, Inc.*, Case No. 37-2020-00029943-CU-OE-CTL, California Superior Court, San Diego County, (granted final approval of settlement on behalf of non-exempt employees in California); *Agapito v. La Verne Nursery, Inc.*, Case No. 56-2019-00527470-CU-OE-CTL, California Superior Court, Ventura County (granted final approval of settlement on behalf of non-exempt employees in California); *Whiteley v. Seco Manufacturing Company*, Case No. 192670, California Superior

1 Court, Shasta County (granted final approval of settlement on behalf of non-exempt employees
2 in California); *Carrillo v. Bikehub*, Case No. 20STCV28879, California Superior Court, Los
3 Angeles County (granted final approval of settlement on behalf of non-exempt employees in
4 California); *Macabulit v. DMC Power, Inc.*, Case No. 20STCV32034, California Superior Court,
5 Los Angeles County (granted final approval of settlement on behalf of non-exempt employees in
6 California); *Perez v. Edpo, LLC dba Energy Distribution Partners*, Case No. CU-22-00156,
7 California Superior Court, San Benito County (granted final approval of settlement on behalf of
8 non-exempt employees in California); *Reyes v. B.W. Hotel, LLC*, Case No. 22STCV34570,
9 California Superior Court, Los Angeles County (granted final approval of settlement on behalf of
10 non-exempt employees in California); *Green v. Union Rescue Mission*, Case No. 22STCV30872,
11 California Superior Court, Los Angeles County (granted final approval of settlement on behalf of
12 non-exempt employees in California); *Walters v. UFP Thronton, LLC*, Case No. STK-CV-UOE-
13 2022-0012249, California Superior Court, San Joaquin County (granted final approval of
14 settlement on behalf of non-exempt employees in California); *Rivera v. Copenhagen Sausage*
15 *Garden, LLC*, Case No. 22CV04059, California Superior Court, Santa Barbara County (granted
16 final approval of settlement on behalf of non-exempt employees in California); *Jimenez v. Delta*
17 *View Farms, LLC*, Case No. VCU293548, California Superior Court, Tulare County (granted
18 final approval of settlement on behalf of non-exempt employees in California); *Arce v. Bezsam,*
19 *Inc.*, Case No. 37-2023-00018583-CU-OE-CTL, California Superior Court, San Diego County
20 (granted final approval of settlement on behalf of non-exempt employees in California); *Martinez*
21 *v. TRC Investments, LLC dba ServPro*, Case No. 23STCV03176, California Superior Court, Los
22 Angeles County (granted final approval of settlement on behalf of non-exempt employees in
23 California).

24 5. I have also moved to certify and have received an order certifying a class action in
25 *Juarez v. Dignity Health*, California Superior Court, Los Angeles County, Case No. BC550950
26 (certifying a class of non-exempt employees involving s donning and doffing claim and other
27 wage and hour claims); *Ibarra v. Artisan Screen Printing, Inc.*, California Superior Court, Los
28 Angeles County, Case No. BC644708 (certifying a class of non-exempt employees involving

meal period claims, rest period claims, rounding claims, and other wage and hour claims); and *Raymond Barela v. Vicrez.com, LLC*, California Superior Court, Los Angeles County, Case No. 22STCV28543 (certifying a class of non-exempt employees involving meal period claims, rest period claims, reimbursement claims, wage statement claims, and waiting time penalty claims).

6. As counsel for Plaintiff and the Settlement Class, I have been thoroughly involved in every aspect of this case. Based on my extensive experience litigating similar wage and hour class actions, I believe the proposed Settlement is fair, reasonable, and adequate for the Settlement Class. A true and correct copy of the Settlement is attached hereto as **Exhibit 1**. Attached as **Exhibits A and B** to the Settlement are the Notice Packet, comprised of the Class Notice and Notice of Estimated Settlement Award, respectively.

7. Defendant is a privately held company that offers plumbing, water heater, and sewer services in and around the San Francisco area. Plaintiff worked for Defendant as a non-exempt plumber employee from approximately April 2022 to approximately January 2024.

8. On August 23, 2024, , Plaintiff, through my office, provided written notice to the Labor & Workforce Development Agency (LWDA) and Defendant of his intent to pursue PAGA civil penalties for alleged violations of the California Labor Code, as required by Labor Code § 2699.3. On August 26, 2024, Plaintiff, through my office, filed a Class Action Complaint alleging causes of action for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to authorize and permit rest periods; (4) wage statement violations; (5) failure to timely pay final wages; and (6) violation of the Unfair Competition Law (“UCL”). A true and correct copy of Plaintiff’s PAGA notice letter is attached hereto as **Exhibit 2**. A true and correct copy of the confirmation email from the LWDA is attached hereto as **Exhibit 3**.

9. On October 31, 2024, Plaintiff, through my office, filed the First Amended Complaint (“FAC”), which added a claim for PAGA civil penalties. On November 20, 2024, my office submitted a conformed copy of the FAC to the LWDA, pursuant to Labor Code § 2699(l). A true and correct copy of the confirmation email my office received from the LWDA after submitting the FAC is attached hereto as **Exhibit 4**.

1 10. Plaintiff alleges that Defendant failed to separately compensate him and other
2 Class Members for all required rest period time they were entitled to when they were compensated
3 on a commission-only basis. Defendant argues that its commission pay plan complies with
4 California law and that it has always compensated its commissioned-based employees for all
5 required rest periods. Defendant argues that at all times throughout the Class Period it has
6 calculated separate rest period compensation for its commissioned based employees in
7 accordance with Labor Code § 226.2.

8 11. Plaintiff further alleges that Defendant failed to separately compensate him and
9 other Class Members who were paid on a commission-only basis for “non-productive” time, such
10 as time spent cleaning/repairing their work truck and training new hires Defendant also argues
11 that employees experienced minimal (if any) uncompensated “non-productive” time.
12 Additionally, Defendant argues that any questions of non-productive time would be highly
13 individualized, as employees worked in a variety of locations, and there are no records or other
14 common evidence of time spent on potentially non-productive tasks necessary to establish class-
15 wide liability, thereby precluding certification.

16 12. Plaintiff further alleges that Defendant failed to pay him and other Class Members
17 all wages owed during the Class Period, because Defendant required employees to remain on-call
18 and subject to Defendant’ control without being compensated. Defendant argues that it
19 consistently pays employees for all hours worked. Defendant further argues that this claim would
20 not be certified, as it would require individual inquiries into each unique event and each employee,
21 as to whether the employee was subject to Defendant’s control, how much on call time each
22 incident consisted of, and whether such uncompensated on call time was reported to Defendant.

23 13. Plaintiff further alleges that Defendant failed to authorize and permit rest periods.
24 But Plaintiff faced significant defenses on this claim, with respect to the merits and class
25 certification. Defendant argues that it has always maintained legally compliant rest period
26 policies, and that, in practice, it has always authorized and permitted all required rest periods to
27 non-exempt employees; that it informs employees of their right to rest periods; and that any failure
28 to take a rest period is the result of employee choice rather than any policy or practice of

1 Defendant. Defendant further argues that this claim is not amenable to class treatment as
2 individualized inquiries would be required to determine whether individual employees were in
3 fact authorized and permitted to take rest periods on any given shift, under various supervisors
4 and time periods, thus precluding class certification. These manageability concerns are
5 particularly present with respect to rest periods, Defendant contend, since rest periods are not (and
6 need not be) recorded.

7 14. As a result of its alleged failure to pay all minimum and overtime wages, as well
8 as its alleged failure to authorize and permit rest periods, Plaintiff asserts that Defendant failed to
9 comply with its final payment and wage statement obligations, in violation of Cal. Labor Code
10 §§ 203 and 226, respectively. Finally, Plaintiff seeks civil penalties under the PAGA based on the
11 aforementioned claims and also for Defendant's alleged failure to maintain accurate timekeeping
12 records for Plaintiff and other Aggrieved Employees in accordance with Labor Code § 1174. *Id.*

13 15. Defendant argues that Plaintiff's derivative claims fail for the same reasons his
14 underlying claims fail. Defendant further asserts that it has strong, good-faith defenses to
15 Plaintiff's underlying claims, precluding waiting time penalties. *See* 8 Cal. Code Regs. § 13520
16 (a "good faith dispute that any wages are due will preclude imposition of waiting time penalties");
17 *see also Kao v. Joy Holiday*, 12 Cal.App.5th 947, 963 (2017) (holding "good faith dispute"
18 precluded imposition of waiting time penalties). Defendant further contends that any alleged wage
19 statement violations were not "knowing and intentional," particularly given its good-faith
20 defenses; that Plaintiff cannot show that he or other employees "suffer[ed] injury" due to alleged
21 wage statement violations, as required by Lab. Code § 226(e); and that employee wage statements
22 always accurately reflect amounts *paid* to employees. *see also Maldonado v. Epsilon Plastics,*
23 *Inc.*, 22 Cal.App.5th 1308, 1336-37 (2018) ("The purpose of section 226 is to 'document the paid
24 wages to ensure the employee is fully informed regarding the calculation of those wages.'") (citing
25 *Soto v. Motel 6 Operating, L.P.*, 4 Cal.App.5th 385, 392 (2016)). Finally, Defendant argues that
26 Plaintiff's PAGA claim fails because the underlying claims fail. *See, e.g., Price v. Starbucks*
27 *Corp.*, 192 Cal.App.4th 1136, 1147 (2011) ("Because the underlying causes of action fail, the
28 derivative UCL and PAGA claims also fail."). Defendant further argues that given its strong

1 defenses and its good-faith attempts to comply with the law, the Court would substantially reduce
2 PAGA penalties even if it were to find in Plaintiff's favor on his claims for civil penalties. *See*
3 Lab. Code § 2699(e)(2) (authorizing discretionary reduction in PAGA penalties); *Thurman v.*
4 *Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (affirming reduction of PAGA
5 penalties because, *inter alia*, "the evidence showed...Defendant took their obligations...seriously
6 and attempted to comply with the law"); *Fleming v. Covidien, Inc.*, No. ED-CV-10-1487-RGK
7 (OPx), 2011 WL 7563047 at *4 (C.D. Cal. 2011) (reducing PAGA penalties by over 82% in part
8 because employer was "not aware" of violations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th
9 504, 529 (2018) (affirming PAGA penalty of just \$5 per pay period where employer made "good
10 faith attempts" to comply with the law).

11 16. In connection with mediation, the Parties engaged in extensive informal discovery.
12 Defendant produced Class Members' records, relevant written policies, additional relevant data
13 and information, and requested financial records pertaining to Defendant's financial condition.
14 Plaintiff's counsel analyzed and extrapolated the data produced by Defendant. This discovery
15 allowed the Parties to assess the merits and value of Plaintiff's claims and Defendant's defenses,
16 as well as the chances for class certification. Plaintiff's counsel also analyzed Defendant's
17 financial records to assess Defendant's financial condition.

18 17. The Parties attended the first mediation session with wage and hour mediator Craig
19 J. Ackerman, Esq. on March 3, 2025, during which they vigorously debated the merits of
20 Plaintiff's claims, Defendant's defenses, and Defendant's financial condition and ability to
21 sustain a class-wide settlement. The Parties did not reach a resolution at the first mediation.
22 Thereafter, a second mediation was held on June 13, 2025 with Hon. Mitchel R. Goldberg (Ret.),
23 a respected and well-regarded retired federal bankruptcy judge and wage and hour mediator.
24 Following a contentious and arms' length second mediation, in which the merits of Plaintiff's
25 claims and Defendant's financial condition were debated and considered, the Parties were able to
26 agree to a mediator's proposal to resolve the Action. Over the following months, the Parties
27 negotiated the finer terms of the Settlement, ultimately resulting in the Settlement Agreement
28 before the Court.

1 18. The monetary terms of the Settlement are summarized below:

2	• Gross Settlement Amount (“GSA”):	\$576,000.00
3	• Minus Court-approved attorneys’ fees (one-third):	\$192,000.00
4	• Minus Court-approved costs (up to):	\$20,000.00
5	• Minus Court-approved Service Payment:	\$7,500.00
6	• Minus Amount Set Aside as PAGA penalties:	\$40,000.00
7	• Minus estimated settlement administration costs:	\$13,000.00
8	Net Settlement Amount (“NSA”):	\$303,500.00
9	PLUS 35% of PAGA penalties (“PAGA Amount”):	\$14,000.00
10	Total Amount Paid to Settlement Class:	\$317,500.00

11 19. The Settlement provides for Defendant to pay a Gross Settlement Amount
12 (“GSA”) of \$576,000. After deducting amounts for attorneys’ fees, litigation costs, Plaintiff’s
13 Class Representative Service Payment, PAGA penalties to the LWDA, and administration costs,
14 the Settlement provides for distribution of approximately \$303,500 to be paid to the Settlement
15 Class. There are approximately 178 Settlement Class members. Thus, the average Settlement
16 Award to Class Members is estimated to be \$1,705.06.

17 20. In addition, all Aggrieved Employees (regardless whether they opt-out from the
18 Class Action portion of the Settlement) who worked for Defendant as a non-exempt employee in
19 California at any time between August 26, 2023 until June 30, 2025 (the “PAGA Period”), will
20 receive a portion of the \$14,000.00 PAGA Amount, based on their proportionate number of pay
21 periods worked during the PAGA Period. There are approximately 70 Aggrieved Employees.
22 Thus, the average payment to Aggrieved Employees is estimated to be \$200.00.

23 21. While Plaintiff is confident in the merits of his claims, he acknowledges that there
24 are substantial risks and uncertainty in proceeding to trial. As noted above, Defendant presented
25 several defenses to each claim, both on the merits and with respect to class certification.

26 22. With respect to Plaintiff’s claim that Defendant failed to separately compensate
27 him and other Class Members for all required rest period time they were entitled to when they
28 were compensated on a commission-only basis, Plaintiff estimates that Settlement Class
Members were underpaid by approximately \$373,688 (41,785 shifts * 20 minutes of unpaid rest
period time per shift * \$26.83/avg. hr. rate). But as noted above, presented multiple defenses to
this claim, including that its commission pay plan complies with California law and that it has
always compensated its commissioned-based employees for all required rest periods, and that it

1 at all times throughout the Class Period it has calculated separate rest period compensation for its
2 commissioned based employees in accordance with Labor Code § 226.2. In light of these
3 defenses, Plaintiff discounted the value of his regular rate claim by 45% for the risk of non-
4 certification, and by an additional 55% to account for the risk of losing on the merits, for a realistic
5 exposure of \$92,487 on this claim.

6 23. With respect to Plaintiff's commission based claim that Defendant failed to
7 separately compensate him and other commission based Class Members for "non-productive"
8 time and failed to pay them for required on-call time, Plaintiff calculated that Defendant is liable
9 for approximately \$842,740 in unpaid minimum wages (2,906 workweeks * 10 unpaid
10 hours/week * \$14.50/min. wage during Class Period * 2 (liq. damages per Labor Code § 1194.2).
11 Plaintiff also calculated that Defendant is liable for approximately \$2,188,509 in unpaid overtime
12 wages (2,906 workweeks * 17 unpaid OT hours/week * \$44.30/avg. OT rate for commission
13 employees). Thus, the total maximum exposure for these claims amounted to \$3,031,249. As
14 noted above, Defendant presented multiple defenses, including that employees experienced
15 minimal (if any) uncompensated "non-productive" time; that any questions of non-productive
16 time would be highly individualized, as employees worked in a variety of locations; and that there
17 are no records or other common evidence of time spent on potentially non-productive tasks
18 necessary to establish class-wide liability, thereby precluding certification. As for the alleged
19 unpaid "on-call" time, Defendant argues that it consistently pays employees for all hours worked.
20 Defendant further argues that this claim would not be certified, as it would require individual
21 inquiries into each unique event and each employee, as to whether the employee was subject to
22 Defendant's control, how much on call time each incident consisted of, and whether such
23 uncompensated on call time was reported to Defendant. In light of these defenses, Plaintiff
24 discounted the value of his regular rate claim by 55% for the risk of non-certification, and by an
25 additional 65% to account for the risk of losing on the merits, for a realistic exposure of \$477,421
26 on this claim.

27 24. With respect to the rest period claim, based Plaintiff's and other Class Members'
28 experiences and based on an analysis of the records produced by Defendant, Plaintiff calculated

1 Defendant's potential rest period exposure as: 5 days/workweek * 8,357 workweeks * .80
2 violation rate * \$26.83/ avg. hourly rate = \$896,873. But as noted above, Defendant presented
3 several defenses to this claim, including its argument that it is only required to *authorize and*
4 *permit* rest periods, not ensure they are taken; that it has always maintained lawful rest period
5 policies and authorized and permitted rest periods in accordance with those policies; that rest
6 periods are not recorded and therefore present difficulties with respect to class certification; that
7 differences in the job duties, locations, and other specific circumstances with respect to each
8 individual shift worked by each employee, would render class certification even less likely. In
9 light of these defenses, Plaintiff discounted this claim by 55% for risk of non-certification, and
10 an additional 65% for risk of losing on the merits or failure to recover the full amount sought, to
11 arrive at a realistic exposure of \$141,257 on the rest period claim.

12 25. Based on the above Labor Code violations, Plaintiff allege that Defendant failed
13 to issue accurate itemized wage statements pursuant to Labor Code § 226. Based on a review of
14 the payroll and other records produced by Defendant, Plaintiff's counsel calculated approximately
15 1,441 pay periods worked by Settlement Class members within the one-year liability period
16 applicable to Section 226. In calculating Defendant's exposure, Plaintiff assumed he could
17 recover the "initial" \$50 penalty under Labor Code § 226(e) for each violation, for a total of
18 \$72,050 in potential exposure. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207
19 (2008) (finding "initial" violation rate applies until employer has been notified it violated Labor
20 Code); *Patel v. Nike Retail Svcs., Inc.*, 58 F.Supp.3d 1032, 1042-43 (N.D. Cal. 2014) (citing
21 *Amaral* and applying "initial" \$50 penalty to all pay periods in calculating amount-in-controversy
22 for wage statement claim). However, and as explained above, Defendant presented multiple
23 defenses to this claim, including but not limited to: the defenses to Plaintiff's underlying claims;
24 the fact that wage statements always accurately reported what employees were *paid*, which
25 Defendant contend is the purpose of Section 226; and that individualized issues entailed in
26 analyzing each wage statement for each pay period for each employee to determine whether a
27 violation occurred. In light of these defenses, Plaintiff discounted the claim by 55% for risk of
28

1 non-certification, and an additional 65% for risk of losing on the merits or failure to recover the
2 full amount sought, for a realistic exposure of \$11,347 on the wage statement claim.

3 26. Plaintiff further alleges that Defendant is liable for waiting time penalties based
4 on its failure to pay wages to former employees. Based on the data provided by Defendant, there
5 are approximately 144 employees who separated their employment with Defendant since August
6 26, 2021 (i.e., three years prior to the filing of the Action), and are therefore eligible for waiting
7 time penalties. Plaintiff calculated the maximum waiting time penalty exposure of \$911,693.
8 Defendant, however, asserts they have strong, good-faith defenses to Plaintiff's underlying
9 claims, and any failure to pay wages was therefore not "willful" as a matter of law. Moreover,
10 because the waiting time claim is derivative of Plaintiff's underlying wage claims, Plaintiff would
11 need to overcome Defendant's defenses, both as to class certification and on the merits, to his
12 underlying claims in order to recover waiting time penalties. Based on these defenses, Plaintiff
13 discounted Defendant's maximum exposure by 55% for risk of non-certification and by an
14 additional 65% for risk of being unsuccessful on the merits or failing to recover the full amount
15 sought, to arrive at a realistic exposure of \$143,591.

16 27. Plaintiff also alleges that Defendant is liable for PAGA civil penalties as a result
17 of the above violations, as well as Defendant's alleged failure to maintain accurate records in
18 violation of Labor Code § 1174. Plaintiff estimated a maximum PAGA exposure of \$144,100,
19 based on the \$100 "initial" violation rate under Lab. Code § 2699(f) for each of the 1,441 pay
20 periods worked during the applicable one-year statutory period. However, Defendant argues that
21 even if Plaintiff were to prevail on some of his claims, he could not show a violation in every pay
22 period. Defendant further argues that the PAGA grants trial courts discretion to reduce PAGA
23 civil penalties (Lab. Code § 2699(e)(2)), and that the Court would reduce penalties significantly
24 given Defendant's strong defenses and its good-faith efforts to comply with the law. Thus,
25 Plaintiff discounted the maximum figure by 55% for risk of losing on the merits and/or not
26 recovering a PAGA penalty for every pay period, and by an additional 70% for risk of the Court
27 reducing penalties, to arrive at an estimated exposure of \$19,453.

1 28. Using these estimated figures, Plaintiff estimated the realistic total class-wide
2 recovery on his claims would be approximately \$885,556, if he had proceeded through class
3 certification and trial on the merits. The proposed settlement of \$576,000 therefore represents
4 approximately 65% of Plaintiff's reasonably forecasted recovery.

5 29. At final approval, Plaintiff's counsel will request attorneys' fees of one-third of
6 the GSA (currently estimated at \$192,000), and up to \$20,000 in litigation costs. My office has
7 incurred substantial attorneys' fees in, among other things, conducting pre-filing investigation
8 and legal research; preparing and filing the initial pleadings; drafting and serving initial written
9 discovery; analyzing Class Members' records and preparing a damages model; analyzing
10 Defendant's financial records to assess its financial condition; preparing for and attending the two
11 mediation sessions; negotiating and preparing the Settlement; preparing this Motion; and
12 otherwise prosecuting this case. I anticipate that my office will incur significant future attorneys'
13 fees in overseeing the Notice process, fielding phone calls from Settlement Class members,
14 preparing the Final Approval Motion and supporting documents, and appearing at the Final
15 Approval Hearing. In addition, based on my experience in similar wage and hour class and PAGA
16 actions in California courts, fee awards in matters such as this one generally equal about one-third
17 of the gross recovery.

18 30. Plaintiff will request a Class Representative Service Payment of \$7,500 at final
19 approval. As will be fully briefed at final approval, Plaintiff's requested Class Representative
20 Service Payment is in recognition of the time and effort he expended on behalf of the Settlement
21 Class, including providing factual information and documents to my office and my co-counsel,
22 identifying potential witnesses, attending multiple telephonic meetings with counsel to discuss
23 the claims and theories at issue in the litigation, reviewing the settlement agreement and other
24 documents related to this case, and otherwise actively participating in the litigation.

25 31. Although the parties engaged in significant informal discovery, they had not
26 completed formal written and deposition discovery, which would have required expenditure of
27 substantial time and resources. Plaintiff also still had to file for class certification. Even if Plaintiff
28 obtained certification, the parties would incur considerable attorneys' fees and costs through a

possible decertification motion, motions for summary judgment, trial, and potential appeals. The proposed settlement avoids these risks, expense, and delays, and is therefore a favorable outcome for the Settlement Class.

32. On July 23, 2025, my office submitted the settlement, as well as a copy of the Motion for Preliminary Approval, to the LWDA, Attached hereto as **Exhibit 5** is a true and correct copy of the email I received from the LWDA confirming that the LWDA received the Settlement Agreement and Motion for Preliminary Approval on July 23, 2025.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 23, 2026 at Beverly Hills, California.

Neil Larsen

Neil M. Larsen

EXHIBIT 1

ILG Legal Office, P.C.
156 South Spruce Avenue, Unit 206A, South San Francisco, CA 94080
Tel: (415) 580-2574 Fax: (415) 735-3454

ILG Legal Office, P.C.
Stephen Noel Ilg (SBN 275599)
Nicolas Jupillat (SBN 335559)
156 South Spruce Avenue, Ste 206A
South San Francisco, CA 94080
Tel: (415) 580-2574
Fax: (415) 735-3454
Email: silg@ilglegal.com
Email: njupillat@ilglegal.com

Attorneys for Defendant Ace Plumbing & Rooter, Inc.

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

KYLE KELLUM, on behalf of himself
and all others similarly situated,

Plaintiff,

vs.

ACE PLUMBING & ROOTER INC., a
California Corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. CGC-24-617510

**JOINT STIPULATION OF
SETTLEMENT AND RELEASE**

Hearing Date:

Time:

Department:

Complaint Filed: August 26, 2024

STIPULATION OF SETTLEMENT AND RELEASE

This Stipulation of Class and PAGA Representative Action Settlement and Release (the “Settlement Agreement” or “Settlement”) is made and entered into by and between the following parties: Plaintiff KYLE KELLUM (“Plaintiff”), individually and on behalf of the Settlement Class (defined below) and Defendant ACE PLUMBING & ROOTER INC. (“Defendant” or “Ace Plumbing”) (collectively, the “Parties”).

This case having come before Hon. Mitchel R. Goldberg (Ret.) Of Judicate West for a second mediation, and the parties in *Kellum v. Ace Plumbing & Rooter Inc.*, Case No. CGC-24-617510 (the “Action”) having conferred, it is hereby stipulated that this matter is deemed settled pursuant to the following terms and conditions:

DEAL TERMS OF THE CLASS SETTLEMENT

1. “Class Member” means a single member of the Settlement Class. “Settlement Class” means all non-exempt employees who worked for Ace Plumbing in California at any time during the Class Period.

2. “Class Period” means August 26, 2020 until the earlier of: (i) June 30, 2025 or (ii) the day before the date on which the number of workweeks worked by all Class Members exceeds 8,600.

3. “Complaint” refers to the operative First Amended Complaint in the Action, filed on October 31, 2024.

4. “Court” refers to the Superior Court of California, County of San Francisco.

5. “Effective Date” means the day after both of the following have occurred: (i) final approval of the settlement is granted by the Court and Judgment is entered thereon, and (ii) Judgment approving the settlement becomes Final. “Final” shall mean, as applicable: (i) if there is an appeal of the Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, or (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed without material modification pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing

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any appeal of the Judgment.

6. “PAGA Members” means all Class Members who worked for Ace Plumbing in California at any time during the PAGA Period.

7. “PAGA Period” means the time from August 26, 2023 to the date the Court grants preliminary approval of this Settlement. “PAGA Member” means a single, non-exempt employee who worked for Ace Plumbing in California during the PAGA Period.

8. “Released Class Claims” means any and all causes of action, claims, rights, damages, and penalties under California law that were alleged in the Complaint, or that could have been alleged based on the facts alleged in the Complaint, including but not limited to: (a) any alleged failure by Ace Plumbing (1) to pay at least the minimum wage for all hours worked, (2) to pay all overtime wages owed, (3) to authorize and permit rest periods or pay rest period premiums, (4) to issue accurate itemized wage statements, or (5) to timely pay all final wages; (b) any claim for unfair business practices based on the alleged failures set forth in (a)(1) through (5) above; and (c) any violation of the California Labor Code arising from or relating to the conduct alleged in (a)(1) through (5) above, including, without limitation, violation of California Labor Code sections 201-204, 226, 226.2, 226.7, 510, 516, 1182.12, 1194, 1194.2, or any other applicable state statute, rule and/or regulation (e.g., Wage Order), arising from Class Members’ employment with Ace Plumbing during the Class Period.

9. “Released PAGA Claims” means any right or claim for civil penalties or other relief pursuant to the PAGA arising under the California Labor Code or Wage Orders based on the allegations set forth in the PAGA notice letter submitted by Plaintiff to the California Labor & Workforce Development Agency (“LWDA”), including but not limited to civil penalties and other PAGA relief based on the alleged violations set forth in (a)(1) through (a)(5) in the immediately preceding paragraph, arising from PAGA Members’ employment with Ace Plumbing during the PAGA Period.

10. “Released Parties” means Ace Plumbing and its directors, officers, members, parents, and subsidiaries.

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11. The Parties have agreed to a Mediator’s Proposal proposed by Hon. Mitchel R. Goldberg (Ret.). The Mediator’s Proposal included the following terms which are hereby incorporated as the terms of this Settlement Agreement: The “Gross Settlement Amount” will be \$576,000.00, paid in continuous quarterly installment payments. The amount of the quarterly installments will be calculated based on the following: during Year 1, \$15,000.00 per month (i.e., \$45,000 per quarter); during Year 2, \$16,000.00 per month (i.e., \$48,000 per quarter); and during Year 3, \$17,000 per month (i.e., \$51,000 per quarter). “Year 1” will begin July 1, 2025. When the Court grants final approval and the Effective Date occurs, Defendant will pay all quarterly payments that accrued between July 1, 2025 and the Effective Date, within 10 calendar days of the Effective Date. Defendant will then continue to fund the settlement quarterly per the above schedule. Defendant will pay the Gross Settlement Amount in the aggregate to resolve this Action, on a non-reversionary basis.

12. The Net Settlement Amount (defined below) will be distributed among all Class Members who do not opt out, i.e., “Participating Class Members,” proportionally based on their relative share of the overall workweeks worked. Specifically, to determine the payment from the Net Settlement Amount for each Participating Class Member, the Net Settlement Amount will be multiplied by a fraction, the numerator of which is the Participating Class Member’s number of workweeks worked during the Class Period, and the denominator of which is the number of workweeks worked by all Participating Class Members during the Class Period.

13. Similarly, 35% of the amount set aside as PAGA penalties (i.e., the “PAGA Amount”) will be distributed among all PAGA Members proportionally based on their relative share of the overall workweeks worked during the PAGA Period. Any payment from the PAGA Amount will be paid to Class Members together with their payment from the NSA. While Class Members may opt-out of the class portion of the Settlement, PAGA Members may not opt-out of the PAGA portion of the Settlement, including the PAGA Released Claims.

14. Settlement payments to Class Members, called “Settlement Awards,” shall include each Class Member’s payment from the NSA and payment, if any, from the PAGA Amount.

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15. The Gross Settlement Amount is all-inclusive, and Defendant shall not be required to pay any additional amounts. All taxes, including any employer-side taxes, will be calculated and deducted from the Gross Settlement Amount.

a. The following costs will be allocated from the Gross Settlement Amount: (1) attorney fees and costs (Defendant will not oppose Class Counsel's request for attorney fees amounting to approximately 33 1/3% of the Gross Settlement Amount, or \$192,000, and reasonable costs not to exceed \$20,000); (2) claims administration fees (approximately \$13,000); (3) enhancement awards to Plaintiff, as class representative for \$7,500; and (4) \$40,000 for penalties under California Labor Code §§ 2699 et seq. ("PAGA") (65% or \$26,000.00 will go to the California Labor & Workforce Development Agency ("LWDA") and 35% or \$14,000.00 will go to PAGA Members as the "PAGA Amount".) Any deductions from the above allocations will be deposited into the Settlement Fund Account and will be included in the Net Settlement Amount for distribution to the Settlement Class.

b. The "Net Settlement Amount" will equal the net amount available for payment of claims to Class Members after deducting the above-referenced amounts from the Gross Settlement Amount. For example, if the Court approves \$192,000 in attorney fees, \$20,000 in costs, \$13,000 in claims administration fees, \$7,500 in incentive awards, and \$40,000.00 allocation for PAGA penalties (of which \$26,000.00 is submitted to the LWDA), the Net Settlement Amount will be \$303,500 (\$576,000.00 - \$192,000 - \$20,000 - \$13,000 - \$7,500 - \$40,000 = \$303,500).

c. For tax allocation purposes, Settlement Payments (consisting of payments from the Net Settlement Amount and the PAGA Amount) will be classified as follows: for payments from the PAGA Amount, 100% penalties; for payments from the Net Settlement Amount, 20% wages and 80% penalties and interest.

Class Members will have 60 calendar days from the date the Notice Packet is first mailed to Opt-Out of the Class, or Object. Procedure for Opting Out of the Class. This deadline shall be known as the "Response Deadline."

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15. Class Members who wish to exclude themselves from the Class must mail the Settlement Administrator a signed and dated Request for Exclusion, which shall be a document prepared by the Class Member and which shall contain the Class Member's name, address, telephone number, last four digits of the Class Member's social security number, and email address, as well as a statement that the Class Member wishes to opt out of the Settlement. In order to be valid, any Request for Exclusion must contain the above information and must be postmarked on or before the Response Deadline.

16. If a Class Member wishes to dispute the number of workweeks that he or she worked during the Class Period, The Workweek Dispute Form (Exhibit B to the Settlement Agreement) must be submitted by U.S. mail and postmarked by the Response Deadline, and must be accompanied by any evidence the Class Member wishes to present to support his or her dispute. The Settlement Administrator shall decide the dispute. Defendant's records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the final decision on the merits of the dispute. The Settlement Administrator may ask Defendant to produce the personnel and payroll files of the Class Member disputing his or her credited workweeks in order for the Settlement Administrator to resolve the dispute. Defendant shall strive to provide such information within 5 business days of the Settlement Administrator's request.

17. Any checks paid to Class Members will remain valid and negotiable for 180 days from their issuance, after which they will become stale ("Check Stale Date"). If not cashed by a Class Member by the Check Stale Date, said check will be distributed in accordance with California Code of Civil Procedure § 384(b). (*See* Section IV.E., *infra*.)

Procedure for Objecting to Settlement

18. Any Class Member who seeks to object to the settlement may do so by submitting a written objection and/or by appearing at the Final Approval Hearing and objecting orally. Any written objection must be mailed to the Settlement Administrator at Phoenix Settlement Administrators and postmarked by the Response Deadline. Any written objection must include any written arguments or evidence that the objecting Class Member wishes to present to the Court,

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and it must include the contact information for any attorney purporting to represent the objecting Class Member. Plaintiff and/or Defendant may respond in writing to any written objections prior to the Final Approval Hearing, as well as orally at the Final Approval Hearing.

Three-Year Payment Schedule of Settlement Proceeds

19. As noted above, the Gross Settlement Amount will be paid by Defendant in quarterly payments on a 3-year payment plan beginning on July 1, 2025. The schedule set forth in this paragraph assumes final approval is granted on or before any payment is due. If any payment comes due before final approval is granted, the deadline for that payment will be ten (10) business days after final approval is granted; if final approval is granted before the first payment is due, then the dates in this section will control. The payments provided in this Settlement Agreement will be made by the Settlement Administrator in 3 annual distributions, with the first distribution being made within ten (10) business days after Defendant funds the first 4 quarterly installments ("Year 1" distribution), the next distribution made within ten (10) business days after Defendant funds the 5th-8th quarterly installments ("Year 2" distribution), and the third distribution made within ten (10) business days after Defendant funds the 9th-12th quarterly installments ("Year 3" distribution), pursuant to the following schedule:

a. Year 1: Defendants will submit a payment to the Settlement Administrator in the amount of \$180,000.00: The Year 1 payment will be distributed as follows: (a) one-third of the Settlement Administration Costs, (b) the full amount of approved legal costs, (c) one-third of the the PAGA payment that will be sent to the LWDA, (d) one-third of the the Service Payment to Plaintiff, and (e) one-third of the approved attorney fees. For instance, if all requested amounts are approved, Defendant would pay (a) \$4,333.33 in Administration Costs, (b) \$20,000 in legal costs, (c) \$8,666.67 to be sent to the LWDA out of an allocation of \$26,000.00, (d) \$2,500.00 service payment to Plaintiff, (e) \$64,000 in attorneys fees, (f) and the remainder of the Year 1 payment of \$80,500.00 to be distributed to the Class for a total payment in Year 1 of \$180,000.00.

b. Year 2: Defendants will submit a payment to the Settlement Administrator in the amount of \$192,000.00, which will cover: (a) one-third of the the PAGA payment that will be sent to the LWDA, (b) one-third of the Settlement Administration costs, (c) one-third of the the Service Payment to Plaintiff, (d) one-third of the approved attorney fees, and (e) the remainder of the Year 2 payment to be distributed to Class Members. For

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instance, if all requested amounts are approved, Defendant would pay (a) \$8,666.67 to be sent to the LWDA out of an allocation of \$26,000.00, (b) \$4,333.33 in Administration Costs, (c) \$2,500.00 service payment to Plaintiff, (d) \$64,000 in attorneys fees, (e) and the remainder of the Year 2 payment of \$112,500.00 to be distributed to the Class, for a total payment in Year 2 of \$192,000.00.

c. Year 3: Defendant will submit a payment to the Settlement Administrator in the amount of \$204,000.00 to cover (a) one-third of the the PAGA payment that will be sent to the LWDA, (b) one-third of the Settlement Administration costs, (c) one-third of the the Service Payment to Plaintiff, (d) one-third of the approved attorney fees, and (e) the remainder of the Year 3 payment to be distributed to Class Members. For instance, if all requested amounts are approved, Defendant would pay (a) \$8,666.67 to be sent to the LWDA out of an allocation of \$26,000.00, (b) \$4,333.33 in Administration Costs, (c) \$2,500.00 service payment to Plaintiff, (d) \$64,000 in attorneys fees, (e) and the remainder of the Year 3 payment of \$124,500.00 to be distributed to the Class, for a total payment in Year 3 of \$204,000.00.

20. If any of the payment deadlines under this Settlement Agreement falls on a weekend or holiday, such payments will be due on the next business day following the deadline.

21. Class members shall receive a proportional portion of their Settlement Award with each distribution. Specifically, the Year 1 distribution will pay approximately 31% of each Class member's Settlement Award; the Year 2 distribution will pay approximately 33% of each Class member's Settlement Award; and the Year 3 distribution will include the remaining approximately 36% of each Class member's Settlement Award.

22. Any employer-side taxes due on the amounts designated as "wages" shall be factored into payments calculated by the Settlement Administrator prior to each annual distribution. When the Settlement Administrator mails payments to Class Members in each distribution, it shall simultaneously pay all applicable withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel, utilizing the Settlement funds to pay the non-wages and wages prescribed herein as well as the employer-side taxes on any wage portions.

Uncashed Checks

23. 180 days after the settlement payments are issued to Class Members, the Settlement Administrator will provide the Parties with a report of uncashed checks. Within 20 days of the expiration date of the checks, the Claims Administrator will pay the sum of uncashed checks to the *cy pres* approved by the Court. The parties agree to propose Legal Aid at Work.

Incentive Award

24. Defendant will not object to an incentive award of \$7,500 to Plaintiff. Defendant will not be obligated to pay any incentive awards in the Action above this amount. The Incentive Award will be considered miscellaneous income. The Settlement Administrator will issue a Form 1099, and any other tax forms, to Plaintiff relating to this award. The Incentive Award will be determined by the Court.

PAGA Penalties

25. The Parties agree to allocate \$40,000.00 of the Gross Settlement Amount to the resolution of all claims for penalties under PAGA. Under Labor Code § 2699(m), 65% of that amount will be paid to the LWDA (\$26,000.00). The other 35% will remain part of the settlement funds.

Releases

26. Upon the Effective Date occurring and the Gross Settlement Amount being fully funded by Defendant, all Participating Class Members will be deemed to have released the Released Class Claims against the Released Parties, and all PAGA Members will be deemed to have released the Released PAGA Claims against the Released Parties.

Settlement Administration and Administrator Duties

27. Within a reasonable period of time after this Settlement Agreement is fully executed, Plaintiff shall file a motion for preliminary approval with the Court.

28. Within ten (10) business days of preliminary approval, Defendant shall provide the Settlement Administrator with a "Class List" containing each Class Member's name, last known address, social security number, number of workweeks worked during the Class Period and number of workweeks worked during the PAGA Period or will provide a roster of employees

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with dates of employment so the Settlement Administrator can calculate the workweeks for each individual.

29. Within ten (10) business days of receiving the Class List, the Settlement Administrator shall (i) run the names of all Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Class Members; (ii) update the address of any Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide Class Counsel and Defense Counsel with formatted versions of the Notice Packets (comprised of the Class Notice and Notice of Estimated Settlement Award, attached as **Exhibits A and B** hereto) to be sent to Settlement Class members; and (v) after receiving approval from all counsel, mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

30. The Settlement Administrator will provide counsel for the Parties with weekly updates regarding the number of Requests for Exclusion, objections, and disputes received. The Settlement Administrator will also provide copies of any objections or disputes received within three (3) business days of receipt. The Parties shall submit any objections received to the Court. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to request exclusion from, or opt out of, the Settlement.

31. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall re-send the Notice Packet to the Class Member within two (2) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member. Class Members to whom Notice Packets are re-mailed after having been

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returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the Settlement.

32. Following preliminary approval and the mailing of notice to all eligible Class Members, Plaintiff will file a motion for final approval of the Settlement pursuant to the schedule set by the Court in its order granting preliminary approval, which will include Plaintiff's request for final approval of the amounts for attorneys' fees, litigation costs, administration costs, incentive award, and PAGA penalties as provided herein, and will ask the Court to enter judgment on this Settlement pursuant to California Rule of Court 3.769.

Additional Terms

33. *Continuing Jurisdiction.* Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, and to hear and adjudicate any dispute arising from or related to the Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6 and Cal. Rule of Court 3.769. If either Party brings a motion or action to enforce the Settlement Agreement and prevails on said motion or action, the prevailing party in such action or motion shall be entitled to its reasonable attorneys' fees and costs in bringing the action or motion.

34. *Waiver and Amendment.* The Parties may not waive, amend, or modify any provision of this Settlement except by a written agreement signed by counsel for all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement will not constitute a waiver of any other provision.

35. *Notices.* All notices, demands, and other communications to be provided concerning this Settlement shall be in writing and delivered by receipted delivery and/or by e-

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mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Stephen Ilg, Ilg Legal Office, P.C., 156 South Spruce Avenue, Ste 206A, South San Francisco, CA 94080; silg@ilglegal.com

if to Plaintiff: Tuvia Korobkin, Marquee Law Group APC, 9100 Wilshire Blvd., Suite 445 East, Beverly Hills, CA 90212; tuvvia@marqueelaw.com

36. *Entire Agreement*. This Settlement contains the entire agreement among the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

37. *Counterparts*. This Settlement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

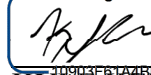
38. *Cooperation in Drafting*. The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

IT IS SO STIPULATED.

Dated: 2/25/2026

PLAINTIFF/CLASS REPRESENTATIVE

DocuSigned by:



KYLE KELLUM

Dated:

DEFENDANT

Jonathan Millington, CEO

ACE PLUMBING & ROOTER INC., a
California Corporation

ILG Legal Office, P.C.
156 South Spruce Avenue, Unit 206A, South San Francisco, CA 94080
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APPROVED AS TO FORM.

Dated: 2/25/2026

MARQUEE LAW GROUP, APC

Signed by:

/s/ Tuvia Korobkin

TUVIA KOROBKIN

POYA GHASRI

GARY BROTMAN

ALEX PURCELL

Attorneys for Plaintiffs

Dated:

ILG LEGAL OFFICE, P.C.

/s/

STEPHEN NOEL ILG

NICOLAS JUPILLAT

Attorneys for Defendant

mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Stephen Ilg, Ilg Legal Office, P.C., 156 South Spruce Avenue, Ste 206A, South San Francisco, CA 94080; silg@ilglegal.com

if to Plaintiff: Tuvia Korobkin, Marquee Law Group APC, 9100 Wilshire Blvd., Suite 445 East, Beverly Hills, CA 90212; tuvia@marqueelaw.com

36. *Entire Agreement*. This Settlement contains the entire agreement among the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

37. *Counterparts*. This Settlement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

38. *Cooperation in Drafting*. The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

IT IS SO STIPULATED.

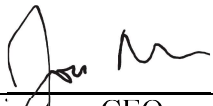
Dated:

PLAINTIFF/CLASS REPRESENTATIVE

KYLE KELLUM

Dated: 03 / 04 / 2026

DEFENDANT



Jonathan Millington, CEO

ACE PLUMBING & ROOTER INC., a
California Corporation

1
2 **APPROVED AS TO FORM.**
3

4 Dated:

MARQUEE LAW GROUP, APC

5 /s/

6 TUVIA KOROBKIN

7 POYA GHASRI

8 GARY BROTMAN

9 ALEX PURCELL

Attorneys for Plaintiffs

10 Dated: 03 / 18 / 2026

ILG LEGAL OFFICE, P.C.

11 /s/

12 STEPHEN NOEL ILG

13 NICOLAS JUPILLAT

14 Attorneys for Defendant
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1 **AMENDMENT TO THE STIPULATION OF CLASS AND PAGA**
2 **REPRESENTATIVE ACTION SETTLEMENT AGREEMENT**

3 This amendment to the Class and PAGA Representative Action Settlement Agreement
4 (“Settlement Agreement” or “Settlement”) changes, alters, and/or modifies the Settlement
5 Agreement entered into by the Parties on or around March 18, 2026, pursuant to Paragraph 34 of
6 the Settlement Agreement, which allows the Parties’ representatives to make certain
7 modifications. The alterations and/or modifications contained herein supersede terms in the
8 Settlement Agreement that may conflict with such alterations and/or modifications. To the extent
9 that the changes, alterations, and/or modifications contained herein do not conflict with the terms
10 of the Settlement Agreement, such terms remain in full force and effect. Each of the numbered
11 paragraphs below corresponds with the same-number paragraph in the Agreement and fully
12 replaces the corresponding paragraph of the Agreement.

13 7. “PAGA Period” means the time from August 26, 2023 to the end of the Class
14 Period. “PAGA Member” means a single, non-exempt employee who worked for Ace Plumbing
15 in California during the PAGA Period.

16 16. If a Class Member wishes to dispute the number of workweeks that he or she
17 worked during the Class Period, The Workweek Dispute Form (Exhibit B to the Settlement
18 Agreement) must be submitted by email or mailed by U.S. mail and postmarked by the Response
19 Deadline, and must be accompanied by any evidence the Class Member wishes to present to
20 support his or her dispute. The Settlement Administrator shall decide the dispute. Defendant’s
21 records will be presumed correct, but the Settlement Administrator will evaluate the evidence
22 submitted by the Class Member and will make the final decision on the merits of the dispute. The
23 Settlement Administrator may ask Defendant to produce the personnel and payroll files of the
24 Class Member disputing his or her credited workweeks in order for the Settlement Administrator
25 to resolve the dispute. Defendant shall strive to provide such information within 5 business days
26 of the Settlement Administrator’s request. The Settlement Administrator shall inform the
27 challenging Class Member of its final determination of the workweek dispute.

1 18. Any Class Member who seeks to object to the settlement may do so by submitting
2 a written objection by email or mail to the Settlement Administrator, and/or by appearing at the
3 Final Approval Hearing and objecting orally. Any written objection must be emailed or mailed to
4 the Settlement Administrator at Phoenix Settlement Administrators and postmarked by the
5 Response Deadline. Any written objection must include any written arguments or evidence that
6 the objecting Class Member wishes to present to the Court, and it must include the contact
7 information for any attorney purporting to represent the objecting Class Member. Plaintiff and/or
8 Defendant may respond in writing to any written objections prior to the Final Approval Hearing,
9 as well as orally at the Final Approval Hearing.

10 28. Within ten (10) business days of preliminary approval, Defendant shall provide
11 the Settlement Administrator with a "Class List" containing each Class Member's name, last
12 known address, last known email address(es) (if available), social security number, number of
13 workweeks worked during the Class Period and number of workweeks worked during the PAGA
14 Period or will provide a roster of employees with dates of employment so the Settlement
15 Administrator can calculate the workweeks for each individual.

16 29. Within ten (10) business days of receiving the Class List, the Settlement
17 Administrator shall: (i) run the names of all Class Members through the National Change of
18 Address ("NCOA") database to determine any updated addresses for Class Members; (ii) update
19 the address of any Class Member for whom an updated address was found through the NCOA
20 search; (iii) calculate the estimated Settlement Award for each Settlement Class member, and
21 provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide
22 Class Counsel and Defense Counsel with formatted versions of the Notice Packets (comprised of
23 the Class Notice and Notice of Estimated Settlement Award, attached as **Exhibits A and B** hereto)
24 to be mailed and emailed, if available, to Settlement Class members; and (v) after receiving
25 approval from all counsel, mail and email, if available, a Notice Packet to each Settlement Class
26 member at his or her last known email address (if available) and mailing address, or at the updated
27 mailing address found through the NCOA search, and retain proof of mailing.

31. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding mailing address affixed thereto. If no forwarding mailing address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall re-send the Notice Packet to the Class Member within two (2) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member. Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Class Member’s Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the Settlement.

32. Following preliminary approval and the dissemination of notice to all eligible Class Members, Plaintiff will file a motion for final approval of the Settlement pursuant to the schedule set by the Court in its order granting preliminary approval, which will include Plaintiff’s request for final approval of the amounts for attorneys’ fees, litigation costs, administration costs, incentive award, and PAGA penalties as provided herein, and will ask the Court to enter judgment on this Settlement pursuant to California Rule of Court 3.769.

AGREED TO AND APPROVED BY:

Dated: 7/20/26

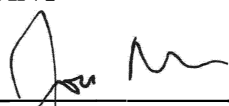
PLAINTIFF/CLASS REPRESENTATIVE



KYLE KELLUM

1 Dated: 07 / 10 / 2026

DEFENDANT

2
3 
Jonathan Millington, CEO

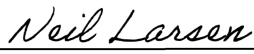
4 ACE PLUMBING & ROOTER INC., a
5 California Corporation

6 **APPROVED AS TO FORM.**

7 **CLASS COUNSEL:**

8 Dated: July 22, 2026

MARQUEE LAW GROUP, APC

9 
10 Neil Larsen
11 Attorneys for Plaintiff

12 **DEFENDANT'S COUNSEL:**

13 Dated: July 10, 2026

ILG LEGAL OFFICE, P.C.

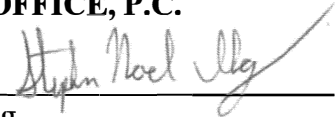
14 
15 Stephen Noel Ilg,
16 Attorneys for Defendant

EXHIBIT A

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

*Kellum v. Ace Plumbing & Rooter Inc.,
Superior Court of California, County of San Francisco, Case No. CGC-24-617510*

As a current or former non-exempt employee of Ace Plumbing & Rooter Inc. in California, you may be entitled to receive money from a class action settlement.

<<Name>>

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip Code>>

Please provide current address (if different) here:

*The Superior Court of California, County of San Francisco has authorized this Class Notice.
This is not a solicitation from a lawyer.*

You may be eligible to receive money from an employee Class Action and PAGA Representative Action lawsuit (“Lawsuit”) against Ace Plumbing & Rooter, Inc. (“Defendant” or “Ace Plumbing”) for alleged wage and hour violations. The Lawsuit was filed by Plaintiff Kyle Kellum (“Plaintiff”) and seeks payment of (1) unpaid overtime wages; unpaid minimum wages; rest period premium wages; waiting time penalties; and wage statement penalties for all non-exempt employees (“Class Members”) who worked for Ace Plumbing in California during the Class Period (August 26, 2020 until [REDACTED]); and (2) civil penalties under the California Private Attorneys’ General Act (“PAGA”) for all non-exempt employees who worked for Ace Plumbing in California during the PAGA Period (August 26, 2023 until [REDACTED]) (“Aggrieved Employees”).

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

Based on Ace Plumbing’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholdings) and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Ace Plumbing’s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Ace Plumbing’s records showing that **you worked XXXX workweeks** during the Class Period and **you worked XXXX pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either respective period, you can submit a challenge by the deadline date. *See* Section 6 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 do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it.

At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Ace Plumbing to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Ace Plumbing.

If you worked for Ace Plumbing during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment (if you worked for Ace Plumbing during the PAGA Period). As a Participating Class Member, though, you will release the Released Class Claims against Ace Plumbing. If you worked for Ace Plumbing during the PAGA Period, you cannot opt-out of the PAGA Settlement and will release the Released PAGA Claims against Ace Plumbing.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion to the Settlement Administrator in writing. If you opt-out of the Settlement, you **will not** receive an Individual Class Payment, but you will preserve your right to personally pursue Class Period wage claims against Ace Plumbing.

**PLEASE READ THIS ENTIRE CLASS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED BY IT.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you do nothing, you will be a Participating Class Member, and will be eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the Class Period wage claims against Ace Plumbing that are covered by this Settlement (Released Class Claims).
OPT-OUT OF THE CLASS SETTLEMENT, BUT NOT THE PAGA SETTLEMENT THE DEADLINE TO OPT-OUT OF THE CLASS ACTION SETTLEMENT IS _____	If you do not want to fully participate in the proposed Class Action portion of the Settlement, you can opt-out by sending the Settlement 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. <i>Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 9 of this Notice.</i> If you worked for Ace Plumbing as a non-exempt employee in California during the PAGA Period, you are an Aggrieved Employee. As an Aggrieved Employee, you cannot opt-out of the PAGA portion of the Settlement. Ace Plumbing must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
ONLY 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 Class Action portion of the Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff

	reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See</i> Section 11 of this Notice. <i>Do not submit a Request for Exclusion from the Settlement, if you intend only to object to the Settlement.</i>
DISPUTE THE WORKWEEK AND/OR PAY PERIOD CALCULATION	The amount of your Individual Class Payment and Individual PAGA Payment (if any), respectively, is dependent on the number of workweeks worked during the Class Period and the number of pay periods worked during the PAGA Period. If you believe that you worked a different number of workweeks and/or pay periods than are identified above, you may dispute that calculation by submitting a completed Dispute Form (included herein) by <<RESPONSE DEADLINE>>.
ATTENDING THE FINAL APPROVAL HEARING	The Final Approval hearing is scheduled to take place on _____. You are not required to attend the Final Approval hearing, but have the right to appear (or hire an attorney to appear on your behalf at your own cost) in person or virtually in a manner permitted by the Court. If you are a Participating Class Member and timely submit a written objection to the Settlement Administrator, your written objection will be considered by the Court. If you also want to speak about your objection at the Final Approval Hearing in person or virtually, you may do so.

IMPORTANT INFORMATION ABOUT THE PROPOSED SETTLEMENT

1. Why did I get this Class Notice?

You were sent this Class Notice because you have a right to know about the proposed Settlement in the Lawsuit and about all of your options before the Court rules on whether to finally approve the settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments that the Settlement allows. This Class Notice explains the Lawsuit, the proposed Settlement, your legal rights, and what benefits are available and how to receive them.

The Court in charge of this case is the Superior Court of California, County of San Francisco. The person who sued is called the “Plaintiff” and the organization he sued is called “Defendant.”

2. What is the Lawsuit about?

In the Lawsuit, Plaintiff Kyle Kellum (“Plaintiff”) alleged multiple violations of the California Labor Code and the California Business & Professions Code, including causes of action for: (1) minimum wage violations; (2) failure to pay overtime wages; (3) rest period violations; (4) waiting time penalties; (5) wage statement violations; (6) unfair competition; and (7) failure to provide a written commission agreement. Based on the same alleged violation of the Labor Code, Plaintiff Kellum also asserted a Representative PAGA Action for civil penalties under the California Private Attorneys’ General Act (Labor Code section 2698, *et seq.* (“PAGA”).

A Class Action, is a lawsuit filed on behalf of Plaintiff and other similarly situated individuals and seeks to recover damages owed to these individuals for Defendant’s alleged violations of the Labor Code. The Class Action was filed

on behalf of Plaintiff and all non-exempt employees that worked for Defendant Ace Plumbing in California August 26, 2025 until [REDACTED] (“Class Period”).

A Representative PAGA Action is distinct from a Class Action in that it is brought on behalf of the State of California and seeks to recover civil penalties for alleged violation of the Labor Code, which are payable to Aggrieved Employees and to the Labor and Workforce Development Agency. The Representative PAGA Action was filed on behalf of the State of California and seeks to recover civil penalties for alleged violations of the Labor Code from August 26, 2023 until [REDACTED] (“PAGA Period”).

3. Why is there a settlement?

The parties disagree on the probable outcome of the case with respect to liability, damages, civil penalties, and how much money could be recovered if the Representative Plaintiff won at trial in the Class Action and PAGA Action. Ace Plumbing believes the Representative Plaintiff would not prevail if this case went to trial. The Court has not decided in favor of the Representative Plaintiff or Ace Plumbing. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption associated with continued litigation and they have therefore chosen to resolve their differences by entering into a settlement.

By doing so, the parties can avoid the cost of a trial, yet Class Members and Aggrieved Employees are still entitled to receive payments if they comply with the instructions in this Class Notice. The parties entered into this settlement after arm’s-length negotiations while using the services of an experienced and neutral mediator. The Representative Plaintiff and Class Counsel believe that the proposed Settlement is fair and reasonable and is in the best interest of the Class Members and Aggrieved Employees.

4. What is a class action settlement?

The Court must approve the terms of the proposed settlement as fair and reasonable. Once approved, the settlement will affect all Class Members, except those who have properly opted out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may receive. Please read this entire Class Notice carefully.

5. What are the important terms of the Settlement?

Gross Settlement Amount. Ace Plumbing has agreed to pay \$576,000.00 as the Gross Settlement Amount (“GSA” or “Gross Settlement Amount”). Ace Plumbing has agreed to deposit the GSA with the Settlement Administrator in accordance with the schedule outlined in the Settlement. The Settlement Administrator will use the GSA to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Incentive Award, Class Counsel’s attorney’s fees and expenses, the Settlement Administrator’s expenses, and the civil penalties to be paid to Aggrieved Employees and the California Labor and Workforce Development Agency (“LWDA”).

Court Approved Deductions from the Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. **Attorney’s Fees and Litigation Expenses.** Up to \$192,000.000 (33.33% of the GSA) to Class Counsel for attorneys’ fees and up to \$20,000.00 to Class Counsel for reimbursement of their litigation expenses. To date, Class Counsel have worked and incurred litigation expenses on this Lawsuit without payment.
- ii. **Plaintiff’s Incentive Award.** Up to \$7,500.00 to Plaintiff as an Incentive Award for the filing of this Lawsuit and representing members of the Class Action and PAGA Action. The Incentive Award will be the only other monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and Individual PAGA Payment.

- iii. **Settlement Administrator's Fee.** Up to \$13,000.00 to the Settlement Administrator for administration of the Settlement.
- iv. **PAGA Civil Penalties Amount.** Up to \$40,000 for the PAGA Civil Penalties Amount, allocated 65% (\$26,000.0) to the LWDA and 35% (\$14,000.00) to Aggrieved Employees based on the number of pay periods worked during the PAGA Period.

Net Settlement Amount Distributed to Participating Class Members. After the Court approved deductions for Attorneys' Fees and Litigation Expenses, Plaintiff's Incentive Award, the Settlement Administrator's Fee, and PAGA Civil Penalties Amount are deducted from the GSA, the Settlement Administrator will distribute the remaining estimated \$303,500.00 Net Settlement Amount ("NSA") in Individual Class Payments to Participating Class Members based on their proportional number of Workweeks worked during the Class Period.

PAGA Amount Distributed to Aggrieved Employees. The Settlement Administrator will distribute \$14,000.00 from the PAGA Civil Penalties Amount to Aggrieved based on their proportional number of Pay Periods worked during the PAGA Period.

Taxes Owed on Individual Class Payments to Class Members. Plaintiff and Ace Plumbing are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. Although Plaintiff and Ace Plumbing 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.

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 do not cash it by the void date, your check will be automatically cancelled, and the monies will be distributed to the designated *cy pres* recipient – Legal Aid at Work.

6. How will the Settlement Administrator Calculate Individual Class Payments and Individual PAGA Payments?

Individual Class Payments. After the Court approved Attorneys' Fees, Litigation Expenses, Class Representative Incentive Award, Settlement Administrator administration fees, and PAGA Civil Penalties Amount are deducted from the GSA, the remaining NSA (estimated to be \$303,500.00) will be used to calculate Class Members' Individual Class Payments. The Settlement Administrator will calculate Individual Class Payments by: (a) dividing the NSA 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.

Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by multiplying the PAGA Civil Penalties Amount (\$14,000.00) allocated to Aggrieved Employees by a fraction, the numerator of which is the Settlement Class member's number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Aggrieved Employees during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the Class Action settlement).

Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Ace Plumbings' records, are stated in the first page of this Notice. You have until **<<RESPONSE DEADLINE>>** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by submitting a completed Workweek Dispute Form and any supporting documents to the Administrator via mail, email, or fax. Section 14 of this Notice has the

Administrator's contact information. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision. The Administrator shall inform the challenging Class Member of the Administrator's determination of the challenge.

7. When would I get my payment?

The Court will hold a Final Approval Hearing on [ENTER DATE AND TIME] to decide whether to finally approve the proposed settlement. Payments will be completed over the course of three years. The payments are expected to be paid out in 2026, 2027, and 2028. However, there may be delays in payments. For example, if the Court approves the settlement and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, call the Settlement Administrator at 1-XXX-XXX-XXXX, or contact Class Counsel (see below for Class Counsel's contact information.). *Please be patient.*

8. What am I releasing?

Released Class Claims. Upon the Effective Date occurring and the Settlement being fully funded, Plaintiff and Class Members who have not effectively opted-out of the settlement as described below, fully release and discharge Ace Plumbing & Rooter Inc., and its directors, officers, members, parents, and subsidiaries ("Released Parties) of and from any and all causes of action, claims, rights, damages, and penalties under California law that were alleged in the Complaint, or that could have been alleged based on the facts alleged in the Complaint, including but not limited to: (a) any alleged failure by Ace Plumbing (1) to pay at least the minimum wage for all hours worked, (2) to pay all overtime wages owed, (3) to authorize and permit rest periods or pay rest period premiums, (4) to issue accurate itemized wage statements, or (5) to timely pay all final wages; (b) any claim for unfair business practices based on the alleged failures set forth in (a)(1) through (5) above; and (c) any violation of the California Labor Code arising from or relating to the conduct alleged in (a)(1) through (5) above, including, without limitation, violation of California Labor Code sections 201-204, 226, 226.2, 226.7, 510, 516, 1182.12, 1194, 1194.2, or any other applicable state statute, rule and/or regulation (e.g., Wage Order), arising from Class Members' employment with Ace Plumbing during the Class Period.

Released PAGA Claims. Upon the Effective Date occurring and the Settlement being fully funded, Plaintiff and Aggrieved Employees release any right or claim for civil penalties or other relief pursuant to the PAGA arising under the California Labor Code or Wage Orders based on the allegations set forth in the PAGA notice letter submitted by Plaintiff to the California Labor & Development Agency, including but not limited to civil penalties and other PAGA relief based on the alleged violations set forth above in (a)(1) through (a)(5) in the immediately preceding paragraph, arising from PAGA Members' employment with Ace Plumbing during the PAGA Period.

9. How can I opt out of the Class Action Settlement?

If you wish to *not* participate in the Class Action portion of the Settlement, you can opt-out of that portion of the Settlement and retain your right to sue the Defendant separately. To do so, you must prepare and submit a Request for Exclusion, which is a document you prepare and which contains your name, address, telephone number, last four digits of your social security number, and your email address, as well as a statement that you wish to opt out of the Settlement. Any Request for Exclusion must be mailed or emailed to the Settlement Administrator, [ADMIN MAILING ADDRESS/EMAIL ADDRESS], and be postmarked or emailed no later than <<RESPONSE DEADLINE>>, or it will not be considered and you will be bound by the Class Action portion of the Settlement.

10. How will the Class Counsel be paid?

Class Counsel will ask the Court to award them fees of approximately 33.33% (one-third) of the Gross Settlement Amount (currently estimated to be \$192,000). Class Counsel will also ask the Court to award them reimbursement of

actual litigation expenses, up to \$20,000, incurred in connection with the Lawsuit. The Court may choose to award less than the amount of Attorneys' Fees and Litigation Expenses requested by Class Counsel.

11. How do I tell the Court if I do not like the Settlement?

Only Participating Class Members have the right to object to the Class Action portion of the Settlement.

Before deciding whether to object, you may wish to see what Plaintiff and Ace Plumbing are asking the Court to approve. At least 16 Court days prior to the Final Approval Hearing, Class Counsel will file in Court a Motion for Final Approval, which will include an explanation as to why the proposed Class Action Settlement is fair, adequate and reasonable, why Class Counsel should be awarded its requested Attorneys' Fees and Litigation Expenses, why Plaintiff should be awarded the requested Incentive Award, why the Settlement Administrator should be awarded its requested settlement administration fees. Upon reasonable request, Class Counsel (whose contact information is in Section 14 of this Notice) will email you a copy of the Motion for Final Approval at no cost to you. You can also view a copy of the Motion for Final Approval on the Settlement Administrator's website {XXXXXXXXXX} or on the Court's website <https://sf.courts.ca.gov/online-services/case-information>.

All written objections and supporting papers must: (a) clearly identify the case name and number (*Kellum v. Ace Plumbing & Rooter Inc.*, Case No. CGC-24-617510), (b) be submitted to the Settlement Administrator at its mailing address, email address, or fax number listed above, and (c) be submitted/postmarked on or before <<**RESPONSE DEADLINE**>>. Any written objection must also include all supporting evidence for the objection.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 13 of this Notice for specifics regarding the Final Approval Hearing.

You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies the settlement, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.

12. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing on [ENTER DATE AND TIME] at the Superior Court of California, County of San Francisco, Civic Center Courthouse, located at Department 304, 400 McAllister Street, San Francisco, California, 94102. At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections and they have been properly submitted, the Court will consider them. The Court will listen to people who submitted an objection. The Court may also decide how much to pay to Class Counsel. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website {XXXXXXXXXXXXXX} beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. If the Final Approval Hearing is rescheduled, notice will be provided to any person that has submitted a timely written objection.

13. Do I have to come to the Final Approval Hearing?

No. Class Counsel will answer any questions that the Court may have at the Final Approval Hearing. But, you are welcome to attend (or hire a lawyer to attend on your behalf at your expense) either personally or virtually.

If you are a Participating Class Member and timely submitted a written Objection, you do not have to come to the Final Approval Hearing to discuss your written Objection with the Court. As long as you timely submitted your written objection by <<RESPONSE DEADLINE>>, the Court will consider it.

As noted above, Participating Class Members may also orally object (or personally retain an attorney to orally object at your own cost) by personally or virtually 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.

14. How can I get more information?

The Settlement Agreement sets forth everything Ace Plumbing and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment, or any other Settlement document is to go to the Settlement Administrator’s website at {XXXXXXXXXXXXX}. You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed below.

<u>Class Counsel</u>	<u>Settlement Administrator</u>
Tuvia Korobkin (tuvia@marqueelaw.com) Neil M. Larsen (neil@marqueelaw.com) Alex Purcell (alex@marueelaw.com) MARQUEE LAW GROUP, APC 9100 Wilshire Blvd, Ste 445 East Tower Beverly Hills, CA 90212 Telephone: (310) 275-1844	Phoenix Settlement Administrators Email Address: XXXXXXXXXXXXXXXX Mailing Address: XXXXXXXXXXXXXXXX Telephone: XXXXXXXXXXXXXXXX Fax Number: XXXXXXXXXXXXXXXX

You can also access the Superior Court of California, County of San Francisco’s Online Services at <https://sf.courts.ca.gov/online-services>, or by visiting the Clerk’s Office at the San Francisco County Superior Court, located at the Civic Center Courthouse, 400 McAllister St., Room 103, San Francisco, CA 94102, between 8:30 a.m. and 4:00 p.m. (closed 12 p.m. - 1 p.m.), Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.

EXHIBIT B

WORKWEEK DISPUTE FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

Kellum v. Ace Plumbing & Rooter Inc.

Case No. CGC-24-617510

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX -

As noted in the accompanying Notice, the amount of your estimated Settlement Award is based upon the number of Workweeks you worked from August 26, 2020 to [end of Class Period] and the number Workweeks you worked for Ace Plumbing from August 26, 2023 to [end of Class Period].

YOUR ELIGIBLE WORKWEEKS

Ace Plumbing's records indicate that you worked [] Workweeks from August 26, 2020 to _____.

Ace Plumbing's records indicate that you worked [] PAGA Workweeks from August 26, 2023 to _____.

YOUR ESTIMATED SETTLEMENT AWARD

Based on the above information, and under the terms of the Class Action Settlement, you estimated payment from the Settlement will be <\$ []>, which includes <\$ []> from the Net Settlement Amount and <\$ []> from the PAGA Amount. Payments from the PAGA Amount will be classified as 1099 non-wage payments and will not have any withholdings withheld. Payments from the Net Settlement Amount will be classified as 20% wages (from which taxes, including the employer's share of payroll taxes, will be withheld) and 80% non-wage payments (from which taxes will not be withheld). You will receive a Form W-2 reflecting the wages portion and a Form 1099 reflecting the non-wages payment to you. Your Payment reflected on this Notice is only an estimate. The exact amount of your settlement payment could vary, up or down. Moreover, be aware that your payment will be distributed over the course of three annual payments.

If you wish to dispute the number of Workweeks or PAGA Workweeks credited to you, you must complete this Dispute Form by indicating what you believe is incorrect on the blank lines below and return it on or before [RESPONSE DEADLINE] to the Settlement Administrator via U.S. Mail at: [ADMIN ADDRESS]. You must also send any documents or other information that you contend supports your belief that the information set forth above is incorrect. The Settlement Administrator will resolve any dispute based upon Ace Plumbing's records and any information you provide. Please be advised that the information on this Workweek Dispute Form is presumed to be correct unless you submit documents demonstrating that Ace Plumbing's records are incorrect.

**UNLESS YOU ARE FILING A DISPUTE REGARDING THE NUMBER OF WEEKS OR YOUR
EMPLOYMENT STATUS SPECIFIED ABOVE, YOU DO NOT NEED TO TAKE ANY ACTION WITH THIS
FORM**

QUESTIONS? CALL _____ TOLL FREE [NUMBER]
Please do not call the Court directly

EXHIBIT 2



MARQUEE LAW GROUP
A PROFESSIONAL CORPORATION

9100 Wilshire Boulevard
Suite 445 East Tower
Beverly Hills, CA 90212
T: (310) 275-1844
F: (310) 275-1801

August 23, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

Re: *Kyle Kellum v. Ace Plumbing & Rooter Inc., et al*

To Whom It May Concern:

Please be advised that this law firm represents Kyle Kellum in claims arising from his employment with Ace Plumbing & Rooter Inc., and Does 1 through 100 (collectively, “Ace”). Mr. Kellum is an “aggrieved employee” as defined by Labor Code section 2698, *et seq.*, due to Ace’s violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

For purposes of this letter, “aggrieved employees” are all current and former non-exempt employees of Ace who have worked for Ace in California at any time from one year immediately preceding the date of this letter through the date that judgment is entered in Mr. Kellum’s contemplated PAGA action or any alternative date agreed upon by the parties and/or approved by the court.

Mr. Kellum worked for Ace as a non-exempt plumber from in or about April 2022 to in or about January 2024.

During Mr. Kellum’s employment with Ace, Mr. Kellum and other aggrieved employees were paid on a commission-only basis, though they did not have a written commission agreement with Ace, as is required under Labor Code § 2751.

Mr. Kellum’s and other aggrieved employees’ workweeks were generally comprised of shifts wherein they would be on call for the company for a set number of hours and respond to any calls that dispatch would assign to them within that time frame. For example, Mr. Kellum generally worked from 8:00AM until 5:00PM on Sunday through Tuesday and Thursday every week, and was on call for 23 hours every Wednesday, starting at 8:00AM Wednesday and remaining on call overnight until 7:00AM Thursday when dispatch would arrive. Ace did not maintain any sort of time records for Mr. Kellum or many other aggrieved employees; rather, Ace and many other aggrieved employees earned commission for the calls they completed, but they did not receive any compensation for time spent on call.

While on-call, Mr. Kellum and other aggrieved employees needed to stay in close vicinity to their work trucks so that they could promptly respond if a call came in. It was not uncommon for Mr. Kellum to sit in his truck for hours while waiting for an assignment to come in. Dispatch generally sent Mr. Kellum the calls that Mr. Kellum was to respond to via text, to which Mr. Kellum was expected to respond within approximately 5 to 10 minutes. If Mr. Kellum did not respond within that timeframe, he would receive a follow-up text. Mr. Kellum was forewarned that if he did not promptly respond to a call after that point, his boss would receive a call and Mr. Kellum would be reprimanded. Despite being under Ace's control during this time, Mr. Kellum was not paid any wages for this on call time. During the one day every week that Mr. Kellum was on call for 23 hours, he was the only technician available for calls after regular business hours.

In addition to failing to pay for on-call time, Ace also failed to pay Mr. Kellum and other commission-based employees for other "nonproductive time," i.e., time spent working that does not result in commissions. For example, Ace instructed Mr. Kellum to spend significant time training and providing guidance to Ace's newer employees and teaching them how to be better plumbers. In fact, in Mr. Kellum's performance review in or about August 2023, Ace told Mr. Kellum that he needed to spend more of his time mentoring Ace's newer employees before Ace would consider him eligible for a raise in his commission rate. Ace also required Mr. Kellum and other employees to clean and maintain work trucks provided by Ace. Despite requiring Mr. Kellum and other aggrieved employees to perform these nonproductive tasks, Ace failed to pay Mr. Kellum and other aggrieved employees separately for performing these tasks as required by Labor Code section 226.2. Mr. Kellum's and other aggrieved employees' travel time between various jobsites throughout a workday also went uncompensated under the compensation scheme. As a result of the failure to pay for on-call time, nonproductive time, and travel time, Ace failed to pay all wages due to Mr. Kellum and other aggrieved employees, including minimum wages and overtime/double-time wages.

Ace has also failed to authorize and permit compliant rest periods to Mr. Kellum and other aggrieved employees. Specifically, Ace failed to provide Mr. Kellum and other commissioned non-exempt employees with separately paid rest periods as required. (*See Vaquero v. Stoneledge Furniture LLC* (2017) 9 Cal.App.5th 98 (holding that employers are required to separately compensate employees paid on commission for rest periods).) Despite failing to authorize and permit legally compliant paid rest periods to Mr. Kellum and other aggrieved employees, Ace has failed to pay the rest period premiums required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Ace has maintained no payroll code or other mechanism for paying rest period premiums when Ace failed to authorize and permit a legally compliant rest period.

As a result of Ace's failure to pay all owed wages, as well as Ace's failure to pay rest period premium wages, Ace failed to pay all wages to Mr. Kellum and other formerly employed aggrieved employees at the separation of their employment. As a further result of Ace's failure to pay all owed wages, as well as Ace's failure to pay rest period premium wages, Ace maintained inaccurate payroll records, and issued inaccurate wage statements to Mr. Kellum and other aggrieved employees. As noted above, Ace also failed to maintain accurate records of Mr. Kellum's and other aggrieved employees' hours worked or meal periods taken.

As described above, Ace committed, and continues to commit, the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 (“Wage Order 16”):

Minimum Wage Violations

Ace is required to properly compensate employees, including Mr. Kellum and other aggrieved employees, with at least the minimum wage for all hours worked pursuant to Labor Code §§ 226.2, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198 and Wage Order 16. Section 2(J) of Wage Order 16 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.”

Wage Order 16, § 4 requires an employer to pay an employee wages not less than \$16.00 per hour for all hours worked effective January 1, 2024, and \$15.50 per hour for all hours worked effective January 1, 2023. Wage Order 16, § 5(a) also states that “[a]ll employer-mandated travel that occurs after the first location where the employee’s presence is required by the employer shall be compensated at the employee’s regular rate of pay or, if applicable, the premium rate. . .” As alleged herein, Ace has failed to pay at least the minimum wage for all hours worked to Mr. Kellum and other aggrieved employees, in violation of California law.

Overtime Violations

Ace was, and is, required to properly compensate employees, including Mr. Kellum and other aggrieved employees, for all overtime and double-time hours worked pursuant to Labor Code §§ 510 and 1194 and Wage Order 16. Wage Order 16, § 3 requires an employer to pay an employee “one and one-half (1½) times [the] employee’s regular rate of pay” for work in excess of 8 hours per workday or over 40 hours in a workweek and for the first eight (8) hours on the seventh (7th) day of work. Wage Order 16, § 3 also requires an employer to pay an employee double the employee’s regular rate of pay for work in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in the workweek. As alleged herein, Ace has failed to properly pay overtime and/or double-time wages to Mr. Kellum and other aggrieved employees, in violation of California law.

Rest Period Violations

As alleged herein, Ace has failed in its affirmative obligation to authorize and permit its employees in California, including Mr. Kellum and other aggrieved employees, all legally compliant rest periods in accordance with the mandates of the California Labor Code and Wage Order 16. Ace has failed to do so, because, *inter alia*, it has failed to separately pay Mr. Kellum or other aggrieved employees for rest periods. Despite Ace’s violations, Ace has not paid an additional hour of pay to Mr. Kellum and other aggrieved employees at their respective regular rates of compensation, in accordance with California Labor Code §§ 204, 210, 226.2, 226.7, 516, and 1198.

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Wage Statement Violations

As alleged above, Ace has, as a matter of uniform policy and practice, failed to furnish Mr. Kellum and other aggrieved employees with complete and accurate wage statements with respect to, *inter alia*, total hours worked, total hours worked at each rate of pay, gross wages earned, and net wages earned, in violation of Labor Code § 226(a).

Failure to Pay All Wages Owed at Termination

As alleged herein, Ace has failed to pay Mr. Kellum and other aggrieved former employees all wages owed to them at the time of termination of employment, including but not limited to all minimum wages, overtime wages, and rest period premium wages owed. This violates Labor Code §§ 201-202, which require prompt payment of all wages due at the end of employment when an employee is terminated or quits.

Failure to Enter into a Written Commission Agreement

As alleged above, Ace has failed to enter into a written commission agreement with Mr. Kellum and other aggrieved employees despite paying these employees via commission. This violates Labor Code § 2751, which requires that an employer who pays an employee via commission have a written contract with that employee that sets forth the method by which the commissions are to be computed and paid, and that the employer provide a signed copy of that contract to the employee who is a party thereto and obtain a signed receipt for the contract from that employee.

Failure to Maintain Records

As alleged herein, Ace has failed to maintain accurate records of Mr. Kellum's and other aggrieved employees' hours worked, meal periods taken, and/or other records required to be kept pursuant to Wage Order 16, § 6 and Labor Code §§ 226 and 1174.

Mr. Kellum is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present and are ongoing. As an "aggrieved employee," Mr. Kellum will initiate a civil action on behalf of himself, the State of California, and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Kellum's own investigation, and on information and belief, Ace has committed the following Labor Code violations:

- a. Ace has violated Labor Code §§ 204, 226.2, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Kellum and other aggrieved employees at least the applicable minimum wage for all hours worked;
- b. Ace has violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Kellum and other aggrieved employees all overtime and/or double-time compensation earned;

- c. Ace has violated Labor Code §§ 226.2, 226.7, 516, 558, and 1198 by failing to authorize and permit all legally required rest periods and failing to pay rest period premiums to Mr. Kellum and other aggrieved employees at the employees' respective regular rates of compensation;
- d. Ace has violated Labor Code §§ 226 and 1198 by failing to furnish Mr. Kellum and other aggrieved employees with accurate and complete itemized wage statements;
- e. Ace has violated Labor Code §§ 201-203 by failing to pay all wages owed to Mr. Kellum and other aggrieved former employees at their separation of employment;
- f. Ace has violated Labor Code §§ 226, 1174 and 1198 by failing to maintain accurate records (including but not limited to records of actual hours worked and meal periods taken) on behalf of Mr. Kellum and other aggrieved employees; and
- g. Ace has violated Labor Code § 2751 by failing to enter into a written commission agreement with Mr. Kellum and other aggrieved employees despite paying them commission.

Pursuant to Labor Code section 2699.3, please notify our office and Ace if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Sincerely,



Tuvia Korobkin
MARQUEE LAW GROUP, APC
tuvia@marqueelaw.com

CC: *Via Certified Mail*
Ace Plumbing & Rooter Inc.
c/o Jonathan N. Millington
10090 Bryant Street
San Francisco, CA 94103

EXHIBIT 3



Tuvia Korobkin <tuvia@marqueelaw.com>

Thank you for submission of your PAGA Case.

1 message

LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
To: "tuvia@marqueelaw.com" <tuvia@marqueelaw.com>

Fri, Aug 23, 2024 at 2:37 PM

8/23/2024

LWDA Case No. LWDA-CM-1047221-24
Law Firm : Marquee Law Group, APC
Plaintiff Name : Kyle Kellum
Employer: Ace Plumbing & Rooter Inc.
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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 4



Tuvia Korobkin <tuvia@marqueelaw.com>

Thank you for your Court Complaint Submission.

1 message

DIR PAGA Unit <no-reply@formassembly.com>
To: tuvia@marqueelaw.com

Wed, Nov 20, 2024 at 10:50 AM

11/20/2024 10:49:49 AM

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 5