Kane Moon (SBN 249834)
H. Scott Leviant (SBN 200834)
Jaeyoung Lee (SBN 344198)
MOON LAW GROUP, PC
725 South Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
E-mail: kmoon@moonlawgroup.com
E-mail: hsleviant@moonlawgroup.com
E-mail: jlee@moonlawgroup.com

Attorneys for Plaintiff
JUAN RODRIGUEZ ALVAREZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

JUAN RODRIGUEZ ALVAREZ, individually, and on behalf of all others similarly situated, Plaintiff, vs. LATITUDE 36 FOODS, LLC, a limited liability company; and DOES 1 through 10, inclusive, Defendants	Case No.: CVRI2404432 [Hon. Harold W. Hopp, Dept. 1] **PAGA SETTLEMENT AGREEMENT** Complaint filed: August 5, 2024 FAC filed: December 17, 2024 Trial date: Not set

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff JUAN RODRIGUEZ ALVAREZ ("Plaintiff") and defendants LATITUDE 36 FOODS, LLC and FAIRWAY STAFFING SERVICES, INC. ("Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS.</u>

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant Latitude 36 captioned *Alvarez v. Latitude 36 Foods, LLC*, initiated on August 5, 2024, and pending in the Superior Court of the State of California, County of Riverside, Case No. CVRI2404432.

1.2. "Administrator" means Atticus Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.5. "Covered Employee(s)" means all hourly-paid or non-exempt employees hired directly by Latitude 36 Foods LLC and all hourly-paid or non-exempt employees of Fairway Staffing Services, Inc. who were assigned to work at Latitude 36 Foods, LLC, who performed any work in California for Latitude 36 Foods, LLC, during the applicable PAGA Period.

1.6. "Covered Employee Data" means Covered Employee identifying information in Defendants' possession, including the Covered Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

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

1.8. "Court" means the Superior Court of California, County of Riverside.

1.9. "Defendants" mean Latitude 36 Foods LLC ("Latitude 36"), the named defendant in the Action, and Fairway Staffing Services, Inc. ("Fairway"), who will be added to this Action through amendment.

1.10. "Defense Counsel" means the law firms Paul Hastings LLP and Buchalter LLP, the attorneys representing Defendants in the Action.

1.11. "Effective Date" means the the date on which the Judgment becomes final..

1.12. "Gross Settlement Amount" means $375,000.00 which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.13. "Individual PAGA Payment" means the Covered Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Covered Employee worked during either PAGA Period A or PAGA period B, as applicable.

1.14. "Judgment" means the judgment entered by the Court based upon the Order granting Approval of the Settlement.

1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699(i).

1.16. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.17. "Net Settlement Amount" constitutes the amount available from the Gross Settlement Amount to distribute as PAGA Penalties. The Net Settlement Amount is equal to the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to the LWDA as the LWDA PAGA Payment and to the Covered Employees as Individual PAGA Payments.

1.18. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.19. "PAGA Approval Motion" means any motion filed with the Cour that seeks approval of this Settlement.

1.20. "PAGA Counsel" means Moon Law Group, PC, the attorneys representing Plaintiff in the Action.

1.21. "PAGA Pay Period" means any Pay Period during which a Covered Employee worked for Defendants for at least one day during the applicable PAGA Period as defined in Section 1.25. .

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

1.23. "PAGA Notice" means Plaintiff's most recent amended letter to Defendant Latitude 36 and the LWDA providing notice pursuant to Labor Code § 2699.3(a). The PAGA Notice is attached here as **Exhibit A**.

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Covered Employees and 65% to the LWDA in settlement of PAGA claims.

1.25. "PAGA Period" means (A) the period from October 13, 2023 through the date the Court grants approval, for Covered Employees who, based on Defendants' records, were employed directly by Defendant Latitude 36 ("PAGA Period A"), except as modified pursuant to Paragraph 8 below; and (B) the period from December 14, 2024 through the date the Court grants approval, for Covered Employees who, based on Defendants' records, were employed by Fairway Staffing Services, Inc. and were assigned to work at Latitude 36 ("PAGA Period B"), except as modified pursuant to Paragraph 8 below.

1.26. "Plaintiff" means Juan Rodriguez Alvarez, the named plaintiff in the Action.

1.27. "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.

1.28. "Released Parties" means Defendants, and any of their respective predecessor, successor, subsidiary, parent, affiliated or related entity, and each of its managerial employees, agents, directors, and/or officers.

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

2. RECITALS.

2.1. On August 5, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant Latitude 36 for failure to pay minimum and straight time wages; failure to pay overtime wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to indemnify necessary business expenses; failure to timely pay final wages at termination; failure to provide accurate itemized wage statements; and unfair business practices. On December 17, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant Latitude 36 for civil penalties under the Private Attorneys General Act of 2004 ("PAGA"). On February 4, 2025, Plaintiff dismissed class claims without prejudice. Plaintiff intends to file a Second Amended Complaint, and this Agreement is contingent upon the filing of that Second Amended Complaint and a further amended PAGA Notice that will be submitted prior to the filing of the Second Amended Complaint, as described in further detail in Paragraph 2.5 below. The Second Amended Complaint, once filed, will be the operative complaint in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the First Amended Complaint and the Operative Complaint, and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant Latitude 36 and the LWDA by sending the PAGA Notice. Plaintiff intends to file a further amended PAGA Notice, and this Agreement is contingent upon the completion of that filing and administrative exhaustion process, as described in further detail in Paragraph 2.5 below.

2.3. On March 26, 2026, the Parties participated in an all-day mediation presided over by Jason

Marsili, which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, a representative sample of time and payroll data, policy documents, and the number of covered employees and pay periods at issue.

2.5. The Settlement Agreement contemplates all of the following:

2.5.1. Within 10 days of executing this Agreement, Plaintiff shall submit an amended PAGA notice with the LWDA and simultaneously serve a copy on Defense Counsel, to (1) add Fairway as a purported joint employer, and (2) conform to the claims raised prior to and during the mediation and mediated, including claims for civil penalties arising from or relating to alleged violations of Labor Code §§ 201, 202, 203, 204, 210, 216, 226, *et seq*., 226(a), 226(e), 226.3, 226.7, 227.3, 233, 234, 246, 247.5, 245-248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and the related IWC Wage Order, and Business & Professions Code §§ 17200, *et seq*., the federal Fair Labor Standards Act on behalf of all purported covered employees, including but not limited to, claims for alleged (1) unpaid minimum wages; (2) unpaid overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to provide sick pay; (6) failure to indemnify necessary business expenses; (7) failure to timely pay final wages; (8) failure to provide accurate itemized wage statements; (9) and purported unfair business practices ("Amended PAGA Notice").

2.5.2. For purposes of this Settlement only, and provided that no notice is received from the LWDA consistent with California Labor Code section 2699.3(a)(2) in response to the Amended PAGA Notice, Plaintiff will add through amendment: (1) Fairway as a defendant; and (2) a claim for civil penalties under PAGA for the Labor Code sections exhausted in the Amended PAGA Notice ("Amended Complaint"). All claims asserted in the Amended Complaint shall relate back to the start of the applicable PAGA Period, and Fairway agrees, for purposes of this Settlement only, not to challenge the asserted limitations period. Within fourteen days (14) of submission of the Amended PAGA Notice, Plaintiff will email the proposed Amended Complaint to Defense Counsel for review and approval. Once the Amended Complaint is prepared and agreed to and this Agreement is signed, Plaintiff shall file with the Court a stipulation seeking leave to file the amended Complaint. Should the LWDA serve notice under California Labor Code section 2699.3(a)(2) in response to the Amended PAGA Notice or should, for whatever reason, the Settlement set forth in this Agreement not be approved by the Court and/or the Effective Date not triggered, the Amended PAGA Notice and the Amended Complaint shall be deemed stricken, null and void *ab initio*, with the previously filed complaint in the Action remaining the operative pleading in the Action; and

2.5.3. Entry of an order by the Court granting approval of the payment for settlement of the PAGA penalties, pursuant to California Labor Code section 2699(s).

3. <u>MONETARY TERMS.</u>

3.1. <u>Gross Settlement Amount</u>. Except as otherwise provided by Paragraph 8 below, Defendants promises to pay $375,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. <u>To PAGA Counsel</u>: A PAGA Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be $125,000.00, subject to the escalator clause, and a PAGA Counsel Litigation Expenses Payment of not more than $20,000.00. The amounts paid as the PAGA Counsel Fees Payment and the PAGA Counsel

Litigation Expenses Payment are both subject to Court approval. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. Released Parties shall have no liability to PAGA Counsel, or any other Plaintiff's Counsel, arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for any taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment. PAGA Counsel holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. <u>To the Administrator:</u> An Administrator Expenses Payment not to exceed $<u>7,100.00</u> except for a showing of good cause and as approved by the Court. Atticus Administration was selected by the Parties, based on its not-to-exceed bid of $7,100.00 for administration services.

3.2.3. <u>To the LWDA and Covered Employees:</u> PAGA Penalties in the estimated amount of at least $222,900.00 to be paid from the Gross Settlement Amount, with 65% (estimated to be at least $144,885.00) allocated to the LWDA PAGA Payment and 35% (estimated to be at least $78,015.00) allocated to the Individual PAGA Payments.

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

3.2.3.2. To the extent required by law, Individual PAGA Payments will be reported for tax purposes using IRS form 1099. Tax forms, if required, will be issued by the Administrator.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14) calendar days after the Effective Date.

4.2. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fee Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fee Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.2.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Covered Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. Included with each check will be a one-page letter describing the nature of the Individual PAGA Payment. A copy of that letter is attached hereto as **Exhibit B**. The letter may be modified as directed by the Court without requiring any amendment of this Settlement, and the original Exhibit B shall be removed and replaced with any revised version of the letter.

4.2.2. The Administrator must conduct an Covered Employee Address Search for all Covered Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Covered Employee Address Search. The Administrator need not take further steps to deliver checks to Covered Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.

4.2.3. For any Covered Employees whose Individual PAGA Payment checks are uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Covered Employee who did not cash the check.

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

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Release by Plaintiff, on behalf of Plaintiff and the State of California: Plaintiff, on behalf of himself and the State of California, releases all claims for civil penalties under the California Private Attorneys General Act ("PAGA") that were described in Plaintiff's pre-filing PAGA Notice and the Amended PAGA Notice to the LWDA and alleged in the Operative Complaint. This specifically includes, but is not limited to civil penalties under PAGA for Labor Code §§ 201, 202, 203, 204, 210, 216, 226, *et seq*., 226(a), 226(e), 226.3, 226.7, 227.3, 233, 234, 246, 247.5, 245-248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and the related IWC Wage Order, and Business & Professions Code §§ 17200, *et seq*., the federal Fair Labor Standards Act, claims based on alleged violations of the aforementioned Labor Code and Wage Order provisions and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been pleaded based on the facts asserted in the Operative Complaint. , including any allegation that Defendant: (1) failed to pay minimum wages; (2) failed to pay overtime compensation; (3) failed to provide meal periods; (4) failed to authorize and permit rest breaks; (5) failure to provide sick pay; (6) failed to indemnify necessary business expenses; (7) failed to timely pay final wages; (8) failed to provide accurate itemized wage statements; (9) and engaged in unfair business practices, as well as interest, fees, and costs associated therewith.The PAGA Notice is attached here as **Exhibit A**.

5.2. Additional Release by Plaintiff as an Individual: Plaintiff and Plaintiff's respective former and present representatives, agents, attorneys (including PAGA Counsel), administrators, successors and assigns generally, release the Released Parties from all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities that were asserted in the Action, or that arise from or could have been asserted in the Action, based on any of the facts alleged in any and all of the complaints in the Action and/or any PAGA Notices or Amended PAGA Notices to the LWDA related to this Action, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law (the "Individual Claims Release"). The Individual Claims Release specifically includes, but is not limited to Labor Code §§ 201, 202, 203, 204, 210, 216, 226, *et seq*., 226(a), 226(e), 226.3, 226.7, 227.3, 233, 234, 246, 247.5, 245-248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and the related IWC Wage Order, and Business & Professions Code §§ 17200, *et seq*., the federal Fair Labor Standards Act, claims based on alleged violations of the aforementioned Labor Code and Wage Order provisions and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been pleaded based on the facts asserted in the Action, including any allegation that Defendant: (1) failed to pay minimum wages; (2)

failed to pay overtime compensation; (3) failed to provide meal periods; (4) failed to authorize and permit rest breaks; (5) failure to provide sick pay; (6) failed to indemnify necessary business expenses; (7) failed to timely pay final wages; (8) failed to provide accurate itemized wage statements; (9) and engaged in unfair business practices, as well as interest, fees, and costs associated therewith.

5.3. Notwithstanding the foregoing, the Release by Plaintiff as an Individual does not include, and expressly excludes, any claims arising under the Fair Employment and Housing Act (Government Code section 12900 et seq.), including but not limited to claims for discrimination, harassment, retaliation, wrongful termination, failure to accommodate, failure to engage in the interactive process, or any claims asserted or that may be asserted in Plaintiff's separate FEHA action against Defendant. <u>Release by Covered Employees</u>: All Covered Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that are alleged to have occurred during the PAGA Period and the Amended PAGA Notice. This specifically includes, but is not limited to Labor Code §§ 201, 202, 203, 204, 210, 216, 226, *et seq*., 226(a), 226(e), 226.3, 226.7, 227.3, 233, 234, 246, 247.5, 245-248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and the related IWC Wage Order, and Business & Professions Code §§ 17200, *et seq*., the federal Fair Labor Standards Act, claims based on alleged violations of the aforementioned Labor Code and Wage Order provisions and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been pleaded based on the facts asserted in the Action, including any allegation that Defendant: (1) failed to pay minimum wages; (2) failed to pay overtime compensation; (3) failed to provide meal periods; (4) failed to authorize and permit rest breaks; (5) failure to provide sick pay; (6) failed to indemnify necessary business expenses; (7) failed to timely pay final wages; (8) failed to provide accurate itemized wage statements; (9) and engaged in unfair business practices, as well as interest, fees, and costs associated therewith.

5.4. Release of Additional Fees and Expenses by PAGA Counsel: Other than those fees and expenses awarded by the Court pursuant to this Settlement, PAGA Counsel release, on behalf of their present and former attorneys, employees, agents, successors and assigns, the Released Parties from all claims for attorney fees and expenses incurred in connection with the Operative Complaint and the PAGA Notice and Amended PAGA Notice. PAGA Counsel will receive only those fees and expenses awarded by the Court pursuant to this Settlement.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

Plaintiff shall file a PAGA Approval Motion.

6.1. Responsibilities of PAGA Counsel.

6.1.1. Drafting of the PAGA Approval Motion. PAGA Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Covered Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Covered Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents; and (iv) all facts relevant to any actual or potential conflict of interest with Covered Employees and/or the Administrator.

6.1.2. Filing the PAGA Approval Motion. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this

Settlement no later than sixty (60) calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion.

6.1.3. Delivery of the Approval Order to the Administrator. PAGA Counsel is responsible for delivering the Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

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

7.2. Employer Identification Number. The Administrator shall have or obtain an Employer Identification Number for purposes of implementing the settlement, including, among other things, providing reports to state and federal tax authorities as required.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation §

468B-1.

7.4. Covered Employee Data. Within fourteen (14) calendar days after the Effective Date, Defendants will deliver the Covered Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Covered Employee' privacy rights, the Administrator must maintain the Covered Employee Data in confidence, use the Covered Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Covered Employee Data to Administrator employees who need access to the Covered Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Covered Employee Data omitted employee identifying information and to provide corrected or updated Covered Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Covered Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Covered Employee Data.

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

8. COVERED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendants estimate that, as of the date of this Settlement Agreement, there were approximately 1,113 Covered Employees who worked approximately 71,207 aggregate weekly pay periods during the applicable PAGA Periods. The PAGA Periods shall extend through the date the Court grants approval of the Settlement. The Parties agree that 78,327 aggregate weekly pay periods during the PAGA Periods shall serve as the benchmark for purposes of the Gross Settlement Amount. If the total number of aggregate weekly pay periods exceeds 78,327 during the PAGA Periods, Defendants shall have the sole and unilateral option to elect, in writing and prior to the hearing of the settlement approval, either to: (1) increase the Gross Settlement Amount on a pro rata basis in proportion to the increase in aggregate weekly pay periods above 78,327 (*e.g.*, if the total number of workweeks increases by 11%, the Gross Settlement Amount will increase by 1%); or (2) shorten the PAGA Periods such that the total number of aggregate weekly pay periods does not exceed 78,327.

9. CONTINUING JURISDICTION AND WAIVER OF RIGHT TO APPEAL.

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

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

10. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

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

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

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

10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court, except where this Agreement expressly permits modifications to **Exhibit B** without further amendment of this Agreement.

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

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

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

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

10.12. Use and Return of Covered Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Covered Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destructions, of Covered Employee Data.

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

Agreement.

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

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

To Plaintiff:

Kane Moon, Esq.
H. Scott Leviant, Esq.
Jaeyoung Lee, Esq.
MOON LAW GROUP, PC
725 South Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
E-mail: kmoon@moonlawgroup.com
E-mail: hsleviant@moonlawgroup.com
E-mail: jlee@moonlawgroup.com

To Defendants:

Chris A. Jalian
Shera Y. Kwak
PAUL HASTINGS LLP
515 South Flower Street
Twenty-Fifth Floor
Los Angeles, California 90071-2228
Telephone: (213) 683-6000
Facsimile: (213) 627-0705
E-mail: chrisjalian@paulhastings.com
E-mail: sherakwak@paulhastings.com

Craig D. Nickerson
William Geoffrey Anderson
BUCHALTER LLP
655 W. Broadway
San Diego, CA 92101
Telephone: (619) 219-5335
Fax: (619) 219-5344
E-mail: cnickerson@buchalter.com
E-mail: wanderson@buchalter.com

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

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

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Plaintiff & PAGA Representative:

Dated: 6/9/2026

PLAINTIFF, JUAN RODRIGUEZ ALVAREZ

Firmado por:

JR

14AA43CBF19D460...

By: ______________________

JUAN RODRIGUEZ ALVAREZ

Defendant:

Dated: ______________________

DEFENDANT, LATITUDE 36 FOODS, LLC

By: ______________________

Print Name

____

Signature

____

Title

Defendant:

Dated: 6/11/2026

DEFENDANT, FAIRWAY STAFFING SERVICES, INC.

By: Ramon Gonzalez

Print Name

____

Signature

RISK Manager

Title

PAGA Counsel:

Dated: 6/10/2026

MOON LAW GROUP, PC

By: ______________________

Kane Moon
H. Scott Leviant
Jaeyoung Lee

Attorneys for Plaintiff, JUAN RODRIGUEZ ALVAREZ

Plaintiff & PAGA Representative: **PLAINTIFF, JUAN RODRIGUEZ ALVAREZ**

Dated: ____________________ By: ________________________________
JUAN RODRIGUEZ ALVAREZ

Defendant: **DEFENDANT, LATITUDE 36 FOODS, LLC**

Dated: 6/16/2026 By: Jessie Guardado
Print Name

Signed by:
Jessie Guardado
EBA8D87CB52942C...
Signature

Chief Financial Officer
Title

Defendant: **DEFENDANT, FAIRWAY STAFFING SERVICES, INC.**

Dated: ____________________ By: ________________________________
Print Name

____
Signature

____
Title

PAGA Counsel: **MOON LAW GROUP, PC**

Dated: ____________________ By: ________________________________
Kane Moon
H. Scott Leviant
Jaeyoung Lee

Attorneys for Plaintiff, JUAN RODRIGUEZ ALVAREZ

Defendant's Counsel: **PAUL HASTINGS LLP**

Dated: June 16, 2026

By: ______________________________

Chris A. Jalian
Shera Y. Kwak

Attorneys for Defendant, LATITUDE 36 FOODS, LLC

Defendant's Counsel: **BUCHALTER LLP**

Dated: ____________________

By: ______________________________

Craig D. Nickerson
William Geoffrey Anderson

Attorneys for Defendant, FAIRWAY STAFFING SERVICES, INC.

Defendant's Counsel: **PAUL HASTINGS LLP**

Dated: ____________________ By: ________________________________

Chris A. Jalian
Shera Y. Kwak

Attorneys for Defendant, LATITUDE 36 FOODS, LLC

Defendant's Counsel: **BUCHALTER LLP**

Dated: 6/11/2026 By: ________________________________

Craig D. Nickerson
William Geoffrey Anderson

Attorneys for Defendant, FAIRWAY STAFFING SERVICES, INC.

Exhibit A

MOON LAW GROUP, PC
ATTORNEYS AT LAW
WWW.MOONLAWGROUP.COM

725 SOUTH FIGUEROA STREET, 31ST FLOOR
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Kane Moon, Esq.
kmoon@moonlawgroup.com

July 17, 2026

VIA ONLINE SUBMISSION
Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

VIA CERTIFIED MAIL
Latitude 36 Foods, LLC
300 El Sobrante Road
Corona, CA 92879

Fairway Staffing Services, Inc.
2099 S. State College Blvd., Ste. 450
Anaheim, CA 92806

SECOND AMENDED Notice of Labor Code Violations and PAGA Penalties

Re: ***Juan Rodriguez Alvarez v. Latitude 36 Foods, LLC, et al.***

To Whom It May Concern:

Please be advised that my office has been retained by Juan Rodriguez Alvarez ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his employers, Latitude 36 Foods, LLC ("Defendant Latitude 36") and Fairway Staffing Services, Inc. ("Defendant Fairway") (collectively referred to hereinafter as "Defendants"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiff and all of Defendants' aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendants in California at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees of Defendants suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendants

Defendants own and operate an industry, business, and establishment within the State of California, including Riverside County. As such, Defendants are subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff worked for Defendants from approximately 2018 to February 2024, primarily in Riverside County. Defendants classified Plaintiff as non-exempt from overtime. During Plaintiff's employment by Defendants, Plaintiff typically worked 5 to 6 days per week, and in excess of 8 hours each workday.

Throughout Plaintiff's employment, Defendants committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is 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.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Labor Code § 1182.12 also provides that the minimum wage for all industries shall not be less than ten dollars per hour on and after January 1, 2016. It further provides for a dollar increase to the minimum wage for each subsequent year to January 1, 2022. It also provides an alternative table of minimum wages for employers who employ 25 or fewer employees. Labor Code § 1194.2 entitles employees to liquidated damages in an mount equal to their unlawfully unpaid minimum wages plus interest. Labor Code § 1199 makes it a misdemeanor for any employer to pay less than the legal minimum wage, mandate illegal working hours, or violate Industrial Welfare Commission orders.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including all overtime wages.

Plaintiff and the Aggrieved Employees were required to work off the clock, and uncompensated. For example, Plaintiff and the Aggrieved Employees were required to wait in line in order to clock into work and when returning from meal breaks, uncompensated. Also, Plaintiff and the Aggrieved Employees meal breaks were sometimes interrupted without compensation. Also, Defendants paid bonuses, shift differentials, and/or other remuneration. However, Defendants failed to properly calculate the correct overtime rate of pay, meal break premium rate of pay, and sick day rate of pay, leading to underpayment to Plaintiff and the Aggrieved Employees.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, 1194.2, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

<u>Failure to Provide Meal Periods</u>

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendants did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the timing of meal periods. Defendants also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Accordingly, Defendants' policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendants, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendants did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the timing of rest periods. For example, Plaintiff and the Aggrieved Employees missed their rest breaks due to an extensive workload, and that hindered their ability to take their legally required rest breaks on time. Defendants also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendants did not maintain accurate records of employee work periods, and therefore Defendants cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Accordingly, Defendants' policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendants' failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendants is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendants wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants without reimbursement, which included the occasional use of personal cellular telephones for work purposes, and the purchase of masks or face coverings for work purposes when it was not provided by Defendants. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendants, and Defendants has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Defendants intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendants violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding $4,000 dollars per employee.

Moreover, Defendants is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Timely Pay Final Wages

Based on their failure to pay Plaintiff and the Aggrieved Employees for all wages earned and unpaid at the time of discharge, Defendants also violated Labor Code §§ 201 and 202. Labor Code § 201 provides that all wages earned and unpaid at the time of discharge are due and payable immediately. Labor Code § 202 provides that in cases where an employee resigns with at least 72 hours' notice, all wages earned and unpaid at the time are due and payable immediately. Labor Code § 203 establishes penalties for employers who willfully fail to pay departing employees their final wages as required by the Labor Code, and such penalties are calculated at a rate of their regular daily rate per each day the final pay is not made, up to 30 days.

Throughout the statutory period, Plaintiff and other Aggrieved Employees either were discharged from their employment with Defendants or resigned from their employment with at least 72 hours' notice. Defendants willfully and systematically failed and refused to pay timely final wages as required by the Labor Code.

Failure to Pay Wages Due After Demand Made

Based on their willful refusal to pay wages due and payable after demand has been made, Defendants are in violation of Labor Code § 216. Labor Code § 216 provides that, in addition to any other penalty imposed by Article One, any person who, having the ability to pay, willfully refuses to pay wages due and payable after demand has been made. Labor Code § 216(b) further provides that any person who falsely denies the amount or validity thereof, or that the same is due, with intent to secure for himself, his employer or other person, any discount upon such indebtedness, or with intent to annoy, harass, oppress, hinder, delay, or defraud, the person to whom such indebtedness is due, is guilty of a misdemeanor.

Throughout the statutory period, Plaintiff and Aggrieved Employees demanded that Defendants pay wages due and payable. Defendants willfully refused to pay wages due and payable after demands have been made, despite having the ability to pay. As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to pay wages due and payable after demand for the same has been made.

Failure to Pay Vested and Unused Vacation Time

Throughout the statutory period, Defendants failed to pay Plaintiff and Aggrieved Employees all vested, unused vacation time in their final paycheck at the employee's final rate of pay. Labor Code § 227.3 provides that all vested vacation shall be paid to him as wages at his final rate of pay at termination.

Throughout the statutory period, Defendants' policy provided for paid vacations, and multiple Aggrieved Employees were terminated without having taken off all vested vacation time. Defendants failed to pay such Aggrieved Employees as wages at his final rate of pay for all such vested and unused vacation time.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to pay wages due and payable after demand for the same has been made.

Failure to Permit Use of Sick Leave

Throughout the statutory period, Defendants failed to permit Plaintiff and Aggrieved Employees to use their accrued and available sick leave entitlement less than the total leave that would be accrued during six months at the employee's current rate of entitlement. Labor Code § 233 requires employers who provide sick leave to employees to permit an employee to use in any calendar year the employee's accrued and available sick leave entitlement, in an amount not less than the sick leave that would be accrued during six months at the employee's then current rate of entitlement. Labor Code § 234 further prohibits employers from penalizing employees who use accrued paid sick leave by counting a sick leave as an absence which may lead to discipline, discharge, demotion, or suspension.

Throughout the statutory period, Defendants provided sick leave for employees. Defendants, however, failed to permit Plaintiff and Aggrieved Employees to use their accrued and available sick leave entitlement less than the total leave that would be accrued during six months at the employee's current rate of entitlement. Consequently, Plaintiff and Aggrieved Employees are entitled to one day of pay or reinstatement and actual damages, whichever is greater, and to appropriate equitable relief. Throughout the statutory period, Defendants penalized Plaintiff and Aggrieved Employers by counting their sick leaves as unexcused absences that may lead to disciplinary action.

Failure to Provide Paid Sick Days

Plaintiff and Aggrieved Employees who worked for Defendants for more than 30 days within a year did not accrue sick days as specified in Labor Code § 246. Labor Code § 246 requires that employees accrue at least one hour of paid sick days for every 30 hours worked.

Throughout the statutory period, Defendants failed to provide Plaintiff and Aggrieved Employees with at least 1 hour of sick day for every 30 hours worked. As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to provide paid sick days at the minimum rate of accrual.

Failure to Maintain Accurate Records of Paid Sick Days Accrued

Throughout the statutory period, Defendants failed to maintain accurate records of paid sick days accrued and sued by Plaintiff and Aggrieved Employees. Labor Code § 247.5 requires that employers maintain at least three years records documenting the hours worked and paid sick days accrued and used by an employee. Accordingly, Plaintiff and Aggrieved Employees are entitled to the maximum number of hours accruable. Further, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for their failure to maintain accurate records of paid sick days accrued and used.

Failure to Display Sick Day Poster

Throughout the statutory period, Defendants failed to prominently display a poster informing employees of sick pay laws. Labor Code § 247 requires employers to conspicuously displace a poster stating that employees are entitled to paid sick days, amount of sick days provided by law, terms of us of sick days, and prohibition of retaliation or discrimination against an employee for using paid sick days. Therefore, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for their failure to prominently display the required poster.

Failure to Provide COVID-19 Food Sector Supplemental Paid Sick Leave

Food sector workers are entitled to COVID-19 food sector supplemental paid sick leave where the food sector worker is unable to work because of COVID-19 related quarantine or isolation, he is advised by health care provider to self-quarantine due to COVID-19, or he is prohibited from working due to health concerns related to transmission of COVID-19. Labor Code § 248 further provides that food sector workers who either worked “full time” or worked or was scheduled to work at least 40 hours per week in the preceding two weeks are entitled to 80 hours of the supplemental paid sick leave. Those food sector workers who do not satisfy these two criteria are entitled to other amounts of supplemental paid sick leave as provided in that section. Labor Code § 248 further provides that each hour of the supplemental paid sick leave shall be compensated at a rate equal to the higher of the employee’s regular rate of pay during the last pay period, the state minimum wage, or local minimum wage for food sector workers. Labor Code § 248.5 requires the Labor Commissioner to enforce Labor Code § 248 including issuance of civil penalties.

Throughout the statutory period, Defendants failed to provide the COVID-19 food sector supplemental paid sick leave when Aggrieved Employees were entitled to such paid sick leave because of COVID-19 related quarantine or isolation, advice by health care provider to self-quarantine due to COVID-19, or prohibition from working due to health concerns related to transmission of COVID-19. Therefore, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for their failure to provide the COVID-19 food sector worker supplemental paid sick days.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendants violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;

2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;

3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;

4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;

6. Labor Code § 226 by failing to provide accurate itemized wage statements; and

7. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, 2699(f)(2), 6310, 6311, 6400, 6401, 6402, 6403, and 6404.

Plaintiff has placed Defendants on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

MOON LAW GROUP, PC

Kane Moon, Esq.
Attorney at Law

Exhibit B

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Alvarez v. Latitude 36 Foods, LLC

The Superior Court of the State of California, County of Riverside, Case No. CVRI2404432

I. NOTICE OF PAGA SETTLEMENT

The Riverside County Superior Court (the "Court") has approved a settlement in the lawsuit named above and filed by Juan Rodriguez Alvarez ("Plaintiff") on behalf of himself, the State of California, and all other "Aggrieved Employees" against Latitude 36 Foods, LLC and Fairway Staffing Services, Inc. ("Defendants").

In this lawsuit, Plaintiff alleges that Defendant violated certain provisions of the California Labor Code, and seeks civil penalties on behalf of the California Labor and Workforce Development Agency ("LWDA") and other purportedly aggrieved employees under the Private Attorneys General Act ("PAGA").

Defendants deny these allegations. Defendants maintain that they complied with the California Labor Code at all times and enter into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

The Court has not made a determination about Plaintiff's allegations. This Notice is not to be understood as a statement of any opinion by the Court as to the merits of the claim. You are receiving this Notice because you are in the group of employees referred to as the "Covered Employees" defined as: All hourly-paid or non-exempt employees hired directly by Latitude 36 Foods LLC who performed work in California between October 13, 2023 and XXXXXX and all hourly-paid or non-exempt employees of Fairway Staffing Services, Inc. who were assigned to work at Latitude 36 Foods, LLC, who performed any work in California for Latitude 36 Foods, LLC, between December 14, 2024 and XXXXXX.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

Pursuant to the terms of the Settlement Agreement, your individual PAGA payment is [**CheckAmount**]. Each individual PAGA payment is based on the number of pay periods worked by each Covered Employee in the PAGA Period divided by the total number of pay periods worked by all Covered Employees.

III. RELEASE

Pursuant to the settlement approved by the Court, Plaintiff, on behalf of himself and the State of California, releases all claims arising under PAGA that were described in Plaintiff's pre-filing PAGA Notice and the Amended PAGA Notice to the LWDA and alleged in the Operative Complaint. This specifically includes, but is not limited to Labor Code §§ 201, 202, 203, 204, 210, 216, 226, *et seq*., 226(a), 226(e), 226.3, 226.7, 227.3, 233, 234, 246, 247.5, 245-248.5, 510, 512, 516, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199 and the related IWC Wage Order, and Business & Professions Code §§ 17200, *et seq*., the federal Fair Labor Standards Act, claims based on alleged violations of the aforementioned Labor Code and Wage Order provisions and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been pleaded based on the facts asserted in the Action, including any allegation that Defendant: (1) failed to pay minimum wages; (2) failed to pay overtime compensation; (3) failed to provide meal periods; (4) failed to authorize and permit rest breaks; (5) failure to provide sick pay; (6) failed to indemnify necessary business expenses; (7) failed to timely pay final wages; (8) failed to provide accurate itemized wage statements; (9) and engaged in unfair business practices, as well as interest, fees, and costs associated therewith.

IV. SETTLEMENT ADMINISTRATOR

You may call the Settlement Administrator, ____________ toll free at 1(XXX) XXX-XXXX with any questions. Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the Controller of the State of California within thirty (30) calendar days of their expiration, to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., for the benefit of those Covered Employees who did not cash their checks, until such time that they claim their property. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE