

PAGA SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made pursuant to the Private Attorneys General Act (“PAGA”), and is made by and between: (1) Plaintiffs Bethany Clayton and Yasmin Soltani (“Plaintiffs”), individually and in their representative capacity as a private attorney generals on behalf of the State of California; and (2) Saltie Girl LA LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as the “Parties,” or individually each as a “Party.”¹

1. **DEFINITIONS**

- 1.1. “Action” means the Plaintiffs’ PAGA lawsuit to be filed against Defendant in the Superior Court of the State of California for the County of Los Angeles alleging wage and hour violations and as set forth in Plaintiffs’ September 18, 2024 correspondence to the California Labor and Workforce Development Agency (hereinafter “PAGA Notice”)
- 1.2. “Administrator” means the neutral entity the Parties have agreed to appoint to administer the Settlement, as defined below.
- 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 this Settlement.
- 1.4. “Aggrieved Employee” means all individuals who are, or were, employed by Defendant as non-exempt employees in California during the PAGA Period, as defined below.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods, as defined below.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Court” means the Superior Court of the State of California for the County of Los Angeles in which Plaintiffs intend to file their PAGA lawsuit.

¹ This Agreement is based on the Los Angeles County Superior Court’s [Model] PAGA Settlement Agreement (LASC CIV 298) (“Model Agreement”), with minor modifications to reflect the agreement by the Parties and the facts of the case.

- 1.8. “Defense Counsel” means Gordon Rees Scully Mansukhani, LLP, the attorneys representing Defendant, Saltie Girl LA LLC.
- 1.9. “Effective Date” shall mean the date the Court has signed an order approving the motion for approval of this PAGA Settlement, and enters an order thereon.
- 1.10. “Gross Settlement Amount” means **\$60,000**, which is the total amount Defendant agrees 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 Administrator’s Expenses Payment.
- 1.11. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Approval Order.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under the amended Labor Code section 2699, subd. (m).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. “PAGA Counsel” means Maralle Messrelian of MM Law, APC, the attorneys representing the Plaintiff in the Action.
- 1.17. “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.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from February 1, 2023, through January 15, 2025.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.21. "PAGA Notice" means the letter(s) to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a), which were made on February 5, 2024, and September 18, 2024, respectively.
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and the 65% to LWDA (currently estimated to be at least \$24,500.00) in settlement of PAGA claims.
- 1.23. "Plaintiffs" mean Bethany Clayton and Yasmin Soltani, the named Plaintiffs in the Action.
- 1.24. "Approval Order" means the proposed Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. "Released Parties" means: = Defendant and all of Defendant's present and former parents, subsidiaries, affiliates, affiliated entities, co-employers, officers, directors, trustees, employees, agents, representatives, members, managers, attorneys, and insurers (including but not limited to insurers and reinsurers), and/or any of their predecessors, successors and assigns, and each of them (hereinafter referred collectively with Defendant as the "Released Parties")
- 1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28. "Defendant" means named Defendant Saltie Girl LA LLC.

2. RECITALS

- 2.1. On or around February 5, 2024, Plaintiffs' counsel gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendant of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations, and similarly, on September 18, 2024, Plaintiffs, on behalf of themselves and the "Aggrieved Employees" gave a supplemental written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendant of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.
- 2.2. On January 15, 2025, the Parties mediated the Action, including Plaintiffs' PAGA claim, with professional neutral, Steven G. Pearl. At mediation, Plaintiffs informed Defendant that they had potential individual claims for alleged violations of the Fair Employment and Housing Act ("FEHA"), including potential claims for racial discrimination, sexual harassment, failure to prevent

discrimination and harassment, and wrongful termination in violation of public policy (the “potential FEHA Claims”). At the end of mediation, mediator Stephen Pearl made a mediator’s proposal for a global settlement. The Parties accepted the proposal and agreed to settle the Action and Plaintiffs’ potential FEHA Claims.

- 2.3. The Parties agree that this PAGA Settlement Agreement sets forth the terms and conditions of the resolution of Plaintiffs’ and the Aggrieved Employees’ PAGA Claims, the resolution of which shall be referred to as the “PAGA Settlement Agreement.” All of Plaintiffs’ potential FEHA claims, other than Plaintiffs’ PAGA Claims, are expressly excluded from this PAGA Settlement Agreement and, instead, are subject to the Parties’ separate and concurrently executed confidential settlement and general release agreements of Plaintiffs’ potential individual claims (the “Individual Settlement Agreements”).
- 2.4. As part of this Settlement Agreement, Plaintiffs agree to file a Complaint in the same or similar form as the complaint attached hereto as Exhibit B, which alleges a PAGA claim against Defendant for **(1)** failure to pay wages earned for all hours worked, **(2)** failure to provide rest breaks, **(3)** failure to provide meal periods, **(4)** failure to indemnify, **(5)** failure to provide accurate itemized wage statements, **(6)** failure to pay wages when employment ends, **(7)** failure to pay wages owed every pay period, **(8)** failure to provide personnel records, **(9)** failure to provide pay records, **(10)** Civil penalties, and **(11)** violations of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210) (the “Operative Complaint”). Plaintiff will file the PAGA Complaint in the form of the complaint attached hereto as Exhibit B within ten (10) business days of the execution of this Settlement Agreement.
- 2.5. Defendant denies any and all allegations of Plaintiffs in the PAGA Action or otherwise and denies any liability in relation thereto as well as Plaintiffs’ purported entitlement to any monies, damages, penalties, or otherwise from Defendant, including, but not limited to the allegations in the PAGA Notice and the forthcoming Complaint, and Defendant denies any failure to comply with the laws identified in in the forthcoming Complaint, and Defendant denies any, and all, liability for the causes of action alleged.
- 2.6. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs allege that they gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.7. Prior to mediation, Plaintiffs obtained, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk of proceeding to trial. Such items include, but are not limited to: the operative employee handbook; policies and procedures related to the claims alleged in the PAGA Notice and Operative Complaint; Plaintiffs’ personnel files, payroll and time records; and a sample of time and pay records for the Aggrieved Employees.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay **\$60,000** as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:
- 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$20,000 and a PAGA Counsel Litigation Expenses Payment of not more than \$11,500. Defendant will not oppose requests for these payments provided that they do not exceed these amounts and provided that these payments constitute part of the Gross Settlement Amount, which is not to exceed \$60,000 in total under any circumstances. As part of the motion for approval of the Settlement or as a separate motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff and/or PAGA Counsel will seek Court approval for any PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment for less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount to be distributed as PAGA Penalties. In the event the Court awards an amount for the PAGA Counsel Fees Payment and/or the PAGA Counsel Litigation Expenses Payment less than the amount requested, the amount awarded shall not constitute a material change to the Settlement Agreement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' 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 taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.
- 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$4,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves

payment less than \$4,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount currently estimated to be at least \$24,500 to be paid from the Gross Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% 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 Aggrieved Employees' 35% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and **(b)** multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Aggrieved Employee Pay Periods. Based on a review of its records at the time of the mediation, Defendant represented that there are an estimated 72 Aggrieved Employees who worked an estimated total 3,533 weekly pay periods, which are the equivalent of an estimated 1,767 biweekly PAGA Pay Periods under amended Labor Code section 2699, subdivision (o).

4.2. Aggrieved Employee Data. The Settlement Administrator will provide Defendant with file transfer instructions for securely sending the Aggrieved Employee Data to the Administrator. Defendant agrees to deliver Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet within thirty (30) days after the Settlement Administrator provides file transfer instructions.. To protect the Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. 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 Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the later of 1) the Effective Date or 2) the date the Settlement Administrator provides Defendant with wire instructions for depositing the Gross Settlement Amount and verbally verifies the authenticity of those wire

instructions with Defendant by a telephone call prior to the transfer, initiated by Defendant using the Settlement Administrator's telephone number published on its known website.

- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds 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 Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments along with an explanatory letter in the form attached as **Exhibit A** and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one hundred eighty (180) days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses).

5. **RELEASES OF CLAIMS**

As of the Effective Date of this Agreement, Plaintiffs, PAGA Counsel, and the Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the PAGA Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
- 5.2. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or could have been alleged, based on the PAGA Period facts stated in the Operative Complaint [,] [and] the PAGA Notice.
- 5.3. Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors, and assigns the Released Parties from all claims for PAGA Fees and expenses incurred in connection with any and all of Plaintiffs' PAGA claims, including any potential claims known or unknown as of the date of this Agreement, and further including, but not necessarily limited to the claims to be asserted in the the forthcoming Complaint and the PAGA Period facts stated in the forthcoming Complaint and the PAGA Notice.

6. MOTION FOR APPROVAL OF SETTLEMENT

Plaintiffs agrees to prepare and file a motion for approval of this Settlement.

- 6.1. Plaintiffs' Responsibilities. Plaintiffs will prepare 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 Aggrieved 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 Aggrieved 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 (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and **(iv)** all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than thirty (30) 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. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator. PAGA Counsel shall provide copies of the motion for approval of this Settlement to Defense Counsel at least 10 days prior to filing it with the Court. Plaintiff and PAGA Counsel agree to provide any and all notices to the LWDA required to effectuate this Settlement, including but not limited to the notice required by California Labor Code section 2699 subdivision (l)(2).
- 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed 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 motion for approval 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 will jointly select a provider to serve as the Administrator and will verify that, as a condition of appointment, they agree to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. 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. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records as of the date of the mediation, Defendant estimates that there are approximately 72 Aggrieved Employees who worked approximately 3,533 weekly pay periods, which are the equivalent of 1,767 biweekly pay periods under amended Labor Code section 2699, subdivision (o) during the PAGA Period. If the number of pay periods worked by the Aggrieved Employees is greater than 10% above that estimated by Defendant(s), then Defendant will have the option to either (a) increase the Gross Settlement Amount by the percentage in excess of 10% above 1,767 biweekly pay periods, or (b) shorten the release period to alleviate any increase in the Gross Settlement Amount.

9. 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.

- 9.1. 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, 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 Defendant that any of Plaintiffs’ allegations, including, but not limited to the allegations in the forthcoming Complaint have merit or that Defendant has any liability for any claims asserted or unasserted as of the date of this Settlement Agreement; nor should it be intended or construed as an admission by Plaintiff that Defendant’s defenses in the Action have merit. The Parties agree

that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 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 Plaintiffs 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 and 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, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 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.
- 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 Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The Parties and their counsel agree to keep the settlement confidential, to the maximum extent permitted by law. Plaintiffs and Plaintiffs' counsel agree, to the maximum extent permitted by law, to refrain from publicizing the fact of the settlement and the terms of the settlement, and Plaintiffs agree not to publicize their allegations unless such disclosure is authorized or required by law. Neither party will issue any press release or other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.
- 10.12. Use and Return of Aggrieved Employee Data. Any information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved 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:

MM Law, APC
Maralle Messrelan, Esq.
500 N. Brand Blvd., Suite 2000
Glendale, CA 91203
maralle@mmlawapc.com
Tel: 818-810-7747

To Defendant:

Gordon Rees Scully Mansukhani, LLP
Amanda Herron, Esq.
aherron@grsm.com
Ph: 916-628-1387
Brandon Saxon
bsaxon@grsm.com
Liz Deleon
ldeleon@grsm.com
(EMAIL SERVICE ONLY)

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

[signature blocks on next page]

APPROVAL AND EXECUTION BY PARTIES

PLAINTIFFS:

Dated: 3/11/2025

DocuSigned by:


Bethany Clayton
Plaintiff and Private Attorney General

Dated: _____

Yasmin Soltani
Plaintiff and Private Attorney General

DEFENDANT:

Dated: 4/2/25

Saltie Girl LA LLC



By: Stacey Olesh

Title: HR Director

APPROVAL AND EXECUTION BY PARTIES

PLAINTIFFS:

Dated: _____

Bethany Clayton
Plaintiff and Private Attorney General

Dated: 3/10/2025

Signed by: 

Yasmin Soltani
Plaintiff and Private Attorney General

DEFENDANT:

Dated: 4/2/25

Saltie Girl LA LLC



By: Stacey Olesh

Title: Director of HR

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Bethany Clayton and Yasmin Soltani v. Saltie Girl LA LLC
Los Angeles County Superior Court, Case No. [REDACTED]

<<Settlement Administrator >>

[REDACTED]

[REDACTED]

Telephone: [REDACTED]

«Barcode»

«BarcodeString»

SIMID «SIMID»

«FirstName»

«LastName»

«Address1» «Address2»

«City» «State» «Zip»

You are receiving this notice as a result of lawsuits brought on a representative basis under the Private Attorneys General Act (“PAGA”) [Cal. Lab. Code, §§ 2698, *et seq.*] (“the Action”). The plaintiffs in the Action are Bethany Clayton and Yasmin Soltani (“Plaintiffs”) and the defendant is Saltie Girl LA LLC (“Defendant”). The Action seeks to impose civil penalties for purported violations of the California Labor Code on behalf of all persons within the State of California who are or were employed by Saltie Girl LA LLC in the State of California and classified as non-exempt during the PAGA Period of February 1, 2023, through January 15, 2025 (the “Aggrieved Employees”). Defendant denies all claims and allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the case and the Court has approved the settlement and release of claims. By settling the Action, Defendant is not admitting that it has done anything wrong as of and subject to the occurrence of the Effective Date of the Settlement. Upon the Effective Date of this Settlement, Plaintiffs, the State of California (including, but not limited to, the LWDA), and the Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released PAGA Claims with respect to Defendant and its past and present officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys. The released PAGA claims shall include all known or unknown claims for civil penalties, attorneys’ fees and costs, or any other relief under PAGA arising out of the Labor Code claims and allegations expressly plead in the operative Complaint and all other Labor Code claims that could have been asserted based on the facts and allegations plead in the operative Complaint, including but not limited to: California Labor Code Sections §§ 201, 202, 203, 204, 226, 226.7, 351, 353, 510, 512, 558, 1174, 1194, 1197, 1198, and 2802, 2804, and IWC Wage Order 5, §§ 2(F), 7, 11-12.

By Order dated <<court approval order date>>, the Superior Court of the State of California, Los Angeles County approved the Settlement of the PAGA claims.

According to Defenant's records, you are an Aggrieved Employee and therefore entitled to a share of the settlement based upon the Court approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be distributed to California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Aggrieved Employee.

Please Note: One hundred percent (100%) of your individual PAGA payment under this Settlement will be considered penalties, which may be subject to local, state, or federal taxes, and will be reported to the IRS and state tax authorities via Form 1099. You should rely on your own tax advisors as to the tax consequences of your individual PAGA payment. Neither Plaintiff nor Defendant have made any representations or warranties regarding the taxation of your individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate tax forms pertaining to your payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write to _____ (the Settlement Administrator) using the contact information at the top of this correspondence.

EXHIBIT B

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8 Attorneys for Plaintiffs,

9 BETHANY CLAYTON, YASMIN SOLTANI, and all others similarly situated

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

12 **(UNLIMITED JURISDICTION)**

13 BETHANY CLAYTON and YASMIN
14 SOLTANI, as “aggrieved employees” on behalf
15 of themselves and other similarly situated
16 “aggrieved employees” under the Labor Code
17 Private Attorneys General Act of 2004,

18 *Plaintiffs,*

19 vs.

20 SALTIE GIRL LA LLC, a California limited
21 liability company; and DOES 1 to 25, inclusive,

22 *Defendants.*

Case No.

**COMPLAINT FOR VIOLATIONS
OF THE LABOR CODE AND CIVIL
PENALTIES UNDER THE LABOR
CODE PRIVATE ATTORNEYS
GENERAL ACT OF 2004, LABOR
CODE §§ 2698, ET SEQ.**

JURY TRIAL DEMANDED

1 Plaintiffs, Bethany Clayton and Yasmin Soltani (hereafter “Plaintiffs”), on behalf of
2 themselves, the State of California, and the other Aggrieved Employees, complain and allege as
3 follows:

4 **INTRODUCTION**

5 1. Plaintiffs bring this representative action under the Labor Code Private Attorneys
6 General Act of 2004, § 2698, *et seq.* (“PAGA”) based on alleged violations of the California
7 Labor Code and Industrial Welfare Commission Order No. 5-2001 (hereafter “the Wage Order”),
8 against Defendants Saltie Girl LA LLC, a California limited liability company, and DOES 1 to
9 25, inclusive (collectively “SALTIE GIRL” or “Defendants”).

10 2. As set forth in more detail below, Plaintiffs allege that Defendants are liable to
11 them, the State of California, and the Aggrieved Employees (defined below), for civil penalties
12 and other related relief. These claims are based on Defendants’ failures to: 1) pay all wages,
13 including minimum, regular, overtime, and doubletime wages earned for all hours worked at the
14 correct rates of pay; 2) provide meal periods or pay correctly-calculated premium wages in lieu
15 thereof; 3) authorize and permit rest periods or pay correctly-calculated premium wages in lieu
16 thereof; 4) indemnify for business expenses; 5) issue only accurate and complete itemized wage
17 statements; 6) timely pay wages during employment; 7) timely pay wages upon separation from
18 employment; and 8) maintain accurate employment records. Accordingly, Plaintiffs now seek to
19 recover civil penalties and related relief through this representative action.

20 **JURISDICTION AND VENUE**

21 3. Jurisdiction and Venue are proper in this Court and this action is properly filed in
22 the County of Los Angeles in this judicial district because Defendants Saltie Girl LA LLC and
23 DOES 1 to 25, inclusive, do business in the County of Los Angeles and because Defendants’
24 obligations and liabilities arise therein, and because the work that was performed by Plaintiffs
25 and the Aggrieved Employees in the County of Los Angeles is the subject of this action.
26 Moreover, the aggregate claims of Plaintiffs and the Aggrieved Employees, inclusive of all relief,
27 place more than \$35,000 in controversy.

28 ///

THE PARTIES

4. Plaintiff Bethany Clayton is a resident of the state of California.

5. Plaintiff Yasmin Soltani is a resident of the state of California.

6. Defendant Saltie Girl LA LLC is a limited liability company organized and existing under the laws of California and as such, a citizen of California based on Plaintiffs' information and belief.

7. Plaintiffs are ignorant of the true names, capacities, relationships, and extents of participation in the conduct alleged herein of the Defendants sued as DOES 1-25, inclusive, but are informed and believe and thereon allege that said Defendants are legally responsible for the wrongful conduct alleged herein and therefore sues these Defendants by such fictitious names. Plaintiffs will amend the Complaint to allege the true names and capacities of the DOE Defendants when ascertained.

8. The "Aggrieved Employees" are all individuals the Defendants have employed or otherwise contracted with in California as hourly, non-exempt employers, during the period of February 1, 2023 and January 15, 2025.

9. Plaintiffs are informed and believe and thereon allege that, at all relevant times herein, all Defendants were the agents, employees and/or servants, masters or employers of the remaining defendants, and in doing the things hereinafter alleged, were acting within the course and scope of such agency or employment, and with the approval and ratification of each of the other Defendants.

10. At all relevant times, in perpetrating the acts and omissions alleged herein, Defendants, and each of them, acted pursuant to and in furtherance of a policy, practice, or a lack of a practice which resulted in Defendants not paying Plaintiffs and the other Aggrieved Employees in accordance with applicable California labor laws as alleged herein.

11. Plaintiffs are informed and believe and thereon allege that each and every one of the acts and omissions alleged herein were performed by, and/or attributable to, all Defendants, each acting as agents and/or employees, and/or under the direction and control of each of the other defendants, and that said acts and failures to act were within the course and scope of said agency,

1 employment, and/or direction and control.

2 **FACTUAL ALLEGATIONS**

3 12. IWC Wage Order 5-2001 (“the Wage Order”) applies to “all persons employed in
4 the public housekeeping industry,” where “Public Housekeeping Industry” includes
5 “Restaurants.” (Id., §§ 1 & 2(P)(1).). At all relevant times during the applicable limitations period,
6 SALTIE GIRL operated a restaurant. Accordingly, Plaintiffs and the Aggrieved Employees are
7 entitled to the protections provided under the Wage Order.

8 13. SALTIE GIRL first began to employ Plaintiff Bethany Clayton on or around
9 January 6, 2023 to work at its restaurant located at 8615 Sunset Blvd, West Hollywood, CA
10 90069. During her employment, Clayton’s job title was “server”. Plaintiff Clayton generally
11 worked five days a week, from approximately 4:15 p.m. to midnight. Plaintiff Clayton’s latest
12 rate of pay was approximately \$19.08 per hour. Plaintiff Clayton’s employment ended on or
13 around July 18, 2024.

14 14. SALTIE GIRL first began to employ Plaintiff Yasmin Soltani on or around May
15 4, 2024 to work at its restaurant located at 8615 Sunset Blvd, West Hollywood, CA 90069. During
16 her employment, Plaintiff Soltani’s job title was “host”. Plaintiff Soltani generally worked part
17 time and was scheduled to work lunch (approximately 10:45 a.m. to 2:00/3:00 p.m.) and dinner
18 shifts (approximately 4:15 p.m. to 9:30 /10:00 p.m.) Plaintiff Soltani’s latest rate of pay was
19 approximately \$20.00 per hour. Plaintiff Soltani’s employment ended on or around June 28, 2024.

20 15. At all relevant times, SALTIE GIRL has issued wages to Plaintiffs and all of the
21 other Aggrieved Employees on a weekly basis and paid them by the hour. At all relevant times,
22 SALTIE GIRL has classified Plaintiffs and all of the other Aggrieved Employees as a non-exempt
23 employee entitled to the protections of the Labor Code and the Wage Order.

24 16. SALTIE GIRL has failed to pay Plaintiffs and the other Aggrieved Employees for
25 all time worked or subject to its control. To the extent Plaintiffs and the Aggrieved Employees
26 have worked through their meal periods and those meal periods were interrupted, they were not
27 compensated for that time, which would be akin to a minimum wage violation

28 17. Due to the above “off the clock” violations, SALTIE GIRL has failed to pay

1 Plaintiffs and the Aggrieved Employees properly-calculated overtime wages. Plaintiff's and the
2 Aggrieved Employees' actual work hours, which included the "off the clock" work as described
3 above, entitled them to overtime, however, it was not company policy to keep accurate track of
4 all hours worked and to pay employees, like Plaintiffs, the accurate amount of overtime, especially
5 since the "off the clock" work was not factored into the equation. Furthermore, any incentive
6 payments and/or bonus payments were not factored into the employees' regular rate of pay for
7 purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive
8 payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews*
9 *Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

10 18. In addition, Plaintiffs and the other Aggrieved Employees were not given accurate
11 tips to which they were entitled in violation of California Labor Code Section 351 and 353.

12 19. SALTIE GIRL has failed to provide all compliant meal periods and authorize and
13 permit all compliant rest periods to which Plaintiffs and the other Aggrieved Employees were
14 entitled. Plaintiffs were entitled to take off-duty, uninterrupted 30-minute meal periods before the
15 fifth hour of work and to take uninterrupted 10-minute rest periods for every four hours or major
16 fraction thereof worked. Due to the press of business, Plaintiffs and the other Aggrieved Employees
17 would not be able to take timely, uninterrupted meal periods before the 5th hour worked. SALTIE
18 GIRL management would instruct Clayton, Soltani, and the other Aggrieved Employees to "clock
19 out" for their meal period right after clocking in for the start of their work shifts, which would
20 often be interrupted. When Plaintiffs tried to take a meal period, SALTIE GIRL management or
21 the other staff would interrupt them with requests for assistance or questions about work related
22 matters. Plaintiffs' meal breaks were often cut short because SALTIE GIRL management needed
23 their assistance. Finally, SALTIE GIRL required Plaintiffs and the Aggrieved Employees to
24 remain on the premises during their meal periods and did not permit Plaintiffs and the other
25 Aggrieved Employees to leave the restaurant during their meal periods. Similarly, Plaintiffs were
26 never authorized to take (and did not take) their 10-minute rest breaks due to the work load/ press
27 of business. In fact, when Plaintiff Soltani questioned SALTIE GIRL manager, Chris(last name
28 unknown) about taking her rest breaks, Chris informed Soltani "No, we don't do that here". It is

1 important to note that there was no break room available for the employees and SALTIE GIRL
2 did not have the Wage Order poster displayed as required by California law. Compliant meal and
3 rest breaks were definitively not part of SALTIE GIRL's culture, especially in a fast-paced
4 restaurant environment. On information and belief, SALTIE GIRL did not always provide
5 premium wages to Plaintiffs for these meal and rest break violations; if SALTIE GIRL did provide
6 premium wages, they were not paid at the correct rate, as explained above.

7 20. SALTIE GIRL has failed to reimburse Plaintiffs and the other Aggrieved
8 Employees for the business expenses they incurred in direct consequence of the discharge of their
9 duties. SALTIE GIRL required Plaintiffs and the other Aggrieved Employees to use their own
10 personal cell phones to communicate with management concerning work matters and scheduling.
11 Moreover, upon getting hired, SALTIE GIRL instructed Plaintiffs Clayton, Soltani, and other
12 Aggrieved Employees to obtain and pay for their food handler's certification prior to starting
13 work. SALTIE GIRL did not reimburse Plaintiffs and the other Aggrieved Employees for these
14 mobile phone and certification expenses. Accordingly, SALTIE GIRL was in violation of
15 California Labor Code sections 2800 and 2802.

16 21. SALTIE GIRL has failed to pay Plaintiffs and the other Aggrieved Employees all
17 wages due to them within any time period specified by California Labor Code section 204,
18 including the minimum wages and overtime as described above as well as meal/rest break
19 premiums.

20 22. SALTIE GIRL has not provided Plaintiffs and the other Aggrieved Employees
21 accurate, itemized wage statements. Wage statements must include all hours worked, overtime
22 hours worked, all applicable hourly rates, the correct legal name and correct address of employer
23 entity, gross wages earned, all deductions, net wages earned, reimbursement for business
24 expenses, the correct start and end of the applicable pay period, the employee ID numbers or
25 social security numbers, among other items. Labor Code § 226(a)(2). SALTIE GIRL issued wage
26 statements that inaccurately reflected total hours worked, gross and net wages earned, and the
27 number of hours worked at each hourly rate because of SALTIE GIRL's failure to properly pay
28 wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9).

1 23. SALTIE GIRL has also violated Labor Code section 558 and engaged in business
2 practices which violate Business and Professions Code Section 17200.

3 24. Accordingly, Plaintiffs now seek civil penalties on behalf of themselves and the
4 Aggrieved Employees based on Defendants' alleged violations of the California Labor Code and
5 the Wage Order.

6 **FIRST (AND ONLY) CAUSE OF ACTION**

7 **CIVIL PENALTIES**

8 **(Lab. Code §§ 2698, *et seq.*)**

9 **(By Plaintiff, on behalf of themselves and the other Aggrieved Employees, against all**
10 **Defendants)**

11 25. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

12 26. At all relevant times, Plaintiffs and the Aggrieved Employees have been non-
13 exempt employees entitled to the protections of both the Labor Code and the Wage Order.

14 **A. FAILURE TO PAY ALL WAGES EARNED FOR ALL HOURS WORKED AT**
15 **THE CORRECT RATES OF PAY**

16 27. Section 2(K) of the Wage Order defines "hours worked" as "the time during which
17 an employee is subject to the control of an employer, and includes all the time the employee is
18 suffered or permitted to work, whether or not required to do so."

19 28. Section 3 of the Wage Order states:

20 The following overtime provisions are applicable to employees 18 years of age or
21 over and to employees 16 or 17 years of age who are not required by law to attend
22 school and are not otherwise prohibited by law from engaging in the subject work.
23 Such employees shall not be employed more than eight (8) hours in any workday
24 or more than 40 in a workweek unless the employee receives one and one half
25 (1½) times such employee's regular rate of pay for all hours worked over 40 hours
26 in the workweek. Eight (8) hours of labor constitutes a day's work. Employment
27 beyond eight (8) hours in any workday or more than six (6) days in any workweek
28 is permissible provided the employee is compensated for such overtime at not less
than:

- (a) One and one-half (1½) times the employee's regular rate of pay for all
hours worked in excess of eight (8) hours up to and including twelve (12)
hours in any workday, and for the first eight (8) hours worked on the
seventh (7th) consecutive day of work in a workweek;

- 1 (b) Double the employee's regular rate of pay for all hours worked in excess
2 of 12 hours in any workday and for all hours worked in excess of eight (8)
3 hours on the seventh (7th) consecutive day of work in a workweek.
4 (c) The overtime rate of compensation required to be paid to a nonexempt
5 full-time salaried employee shall be computed by using the employee's
6 regular hourly salary as one fortieth (1/40) of the employee's weekly
7 salary.
- 8 29. Section 4 of the Wage Order requires an employer to pay non-exempt employees
9 at least the minimum wage set forth therein for all hours worked, which consists of all hours that
10 an employer has actual or constructive knowledge that employees are working.
- 11 30. Labor Code section 510 states:
12 Eight hours of labor constitutes a day's work. Any work in excess of eight hours
13 in one workday and any work in excess of 40 hours in any one workweek and the
14 first eight hours worked on the seventh day of work in any one workweek shall be
15 compensated at the rate of no less than one and one-half times the regular rate of
16 pay for an employee. Any work in excess of 12 hours in one day shall be
17 compensated at the rate of no less than twice the regular rate of pay for an
18 employee. In addition, any work in excess of eight hours on any seventh day of a
19 workweek shall be compensated at the rate of no less than twice the regular rate of
20 pay of an employee. Nothing in this section requires an employer to combine more
21 than one rate of overtime compensation in order to calculate the amount to be paid
22 to an employee for any hour of overtime work.
- 23 31. Labor Code section 1194 invalidates any agreement between an employer and an
24 employee to work for less than the minimum wage required under the applicable Wage Order.
- 25 32. Labor Code section 1197 makes it unlawful for an employer to pay an employee
26 less than the minimum wage required under the applicable Wage Order for all hours worked
27 during a payroll period.
- 28 33. Labor Code section 1198 makes it unlawful for an employer to employ an
employee under conditions that violate the Wage Order.
34. In conjunction, these provisions of the Labor Code require employers to pay non-
exempt employees no less than their agreed-upon or statutorily mandated wage rates for all hours
worked, including unrecorded hours when the employer knew or reasonably should have known
that employees were working during those hours. (See *Morillion v. Royal Packing Co.* (2000) 22
Cal.4th 575, 585.)
35. At all relevant times during the applicable limitations period, Defendants failed to

1 compensate Plaintiffs and the Aggrieved Employees for all hours worked, including, but not
2 limited to overtime wages for all overtime hours they worked at the correct rates of pay.

3 36. Plaintiffs are informed and believe and thereon allege that, at all
4 relevant times, Defendants maintained a policy and/or practice, or lack thereof, which resulted in
5 Defendants' failure to compensate Plaintiffs and the other Aggrieved Employees for all hours
6 worked as required by California law.

7 **B. FAILURE TO PROVIDE MEAL PERIODS**

8 37. In relevant part, California Labor Code § 1198 states:

9 The maximum hours of work and the standard conditions of labor fixed by the
10 commission shall be the maximum hours of work and the standard conditions of
11 labor for employees. The employment of any employee for longer hours than those
12 fixed by the order or under conditions of labor prohibited by the order is unlawful.

13 38. In relevant part, In relevant part, California Labor Code § 512 states:

14 An employer shall not employ an employee for a work period of
15 more than five hours per day without providing the employee with
16 a meal period of not less than 30 minutes, except that if the total
17 work period per day of the employee is no more than six hours, the
18 meal period may be waived by mutual consent of both the
19 employer and employee.

20 An employer shall not employ an employee for a work period of
21 more than 10 hours per day without providing the employee with
22 a second meal period of not less than 30 minutes, except that if the
23 total hours worked is no more than 12 hours, the second meal
24 period may be waived by mutual consent of the employer and the
25 employee only if the first meal period was not waived.

26 39. In relevant part, Section 11 of the Wage Order states:

27 Meal Periods:

- 28 (A) No employer shall employ any person for a work period of
more than five (5) hours without a meal period of not less than
30 minutes, except that when a work period of not more than
six (6) hours will complete the day's work the meal period may
be waived by mutual consent of the employer and employee.
Unless the employee is relieved of all duty during a 30 minute
meal period, the meal period shall be considered an "on duty"
meal period and counted as time worked. An "on duty" meal
period shall be permitted only when the nature of the work
prevents an employee from being relieved of all duty and when

1 by written agreement between the parties an on-the-job paid
2 meal period is agreed to. The written agreement shall state that
3 the employee may, in writing, revoke the agreement at any
4 time.

5 (B) If an employer fails to provide an employee a meal period in
6 accordance with the applicable provisions of this Order, the
7 employer shall pay the employee one (1) hour of pay at the
8 employee's regular rate of compensation for each work day that
9 the meal period is not provided.

10 40. In relevant part, California Labor Code § 226.7 states:

11 (b) An employer shall not require an employee to work during
12 a meal or rest period mandated pursuant to an applicable
13 statute, or applicable regulation, standard, or order of the
14 Industrial Welfare Commission, the Occupational Safety
15 and Health Standards Board, or the Division of
16 Occupational Safety and Health.

17 (c) If an employer fails to provide an employee a meal period
18 or rest period in accordance with a state law, including, but
19 not limited to, an applicable statute or applicable
20 regulation, standard, or order of the Industrial Welfare
21 Commission, the Occupational Safety and Health
22 Standards Board, or the Division of Occupational Safety
23 and Health, the employer shall pay the employee one
24 additional hour of pay at the employee's regular rate of
25 compensation for each work day that the meal or rest
26 period is not provided.

27 41. Pursuant to California Labor Code § 512 and the Wage Order, Plaintiffs and the
28 Aggrieved Employees were entitled to uninterrupted meal periods of at least 30 minutes for each
day they worked five or more hours. Pursuant to California Labor Code § 512, they were also
entitled to a second 30-minute meal period when they worked more than 10 hours in a workday.

42. Defendants intentionally failed to provide Plaintiffs and the Aggrieved Employees
with all required timely 30-minute meal periods free from any work duties in accordance with the
Wage Order.

43. At all relevant times, Defendants failed to provide Plaintiffs and the Aggrieved
Employees with all timely and uninterrupted meal periods. Furthermore, Defendants failed to pay
premium wages for days on which they failed to provide Plaintiffs and the other Aggrieved
Employees with timely meal periods.

1 44. Plaintiffs are informed and believe and thereon allege that, at all
2 relevant times within the applicable limitations period, Defendants had a policy, practice, or a
3 lack of a policy which resulted in Defendants not providing the and the Aggrieved Employees
4 with all off-duty meal periods required by California law.

5 **C. FAILURE TO AUTHORIZE AND PERMIT REST BREAKS**

6 45. In relevant part, California Labor Code § 1198 states:

7 The maximum hours of work and the standard conditions of labor
8 fixed by the commission shall be the maximum hours of work and
9 the standard conditions of labor for employees. The employment
10 of any employee for longer hours than those fixed by the order or
11 under conditions of labor prohibited by the order is unlawful.

12 46. In relevant part, Section 12 of the Wage Order states:

13 Rest Periods:

14 (A) Every employer shall authorize and permit all employees to take
15 rest periods, which insofar as practicable shall be in the middle of
16 each work period. The authorized rest period time shall be based
17 on the total hours worked daily at the rate of ten (10) minutes net
18 rest time per four (4) hours or major fraction thereof. However, a
19 rest period need not be authorized for employees whose total daily
20 work time is less than three and one-half (3 ½) hours. Authorized
21 rest period time shall be counted as hours worked for which there
22 shall be no deduction from wages.

23 (B) If an employer fails to provide an employee a rest period in
24 accordance with the applicable provisions of this order, the
25 employer shall pay the employee one (1) hour of pay at the
26 employee's regular rate of compensation for each workday
27 that the rest period is not provided.

28 47. In relevant part, California Labor Code § 226.7 states:

 (b) An employer shall not require an employee to work during
 a meal or rest period mandated pursuant to an applicable
 statute, or applicable regulation, standard, or order of the
 Industrial Welfare Commission, the Occupational Safety
 and Health Standards Board, or the Division of
 Occupational Safety and Health.

 (c) If an employer fails to provide an employee a meal period
 or rest period in accordance with a state law, including, but
 not limited to, an applicable statute or applicable

1 regulation, standard, or order of the Industrial Welfare
2 Commission, the Occupational Safety and Health
3 Standards Board, or the Division of Occupational Safety
4 and Health, the employer shall pay the employee one
5 additional hour of pay at the employee's regular rate of
6 compensation for each work day that the meal or rest
7 period is not provided.

8 48. Pursuant to the Wage Order, Plaintiffs and the Aggrieved Employees were entitled
9 to be authorized and permitted to take net rest breaks of at least ten minutes for each four-hour
10 period of work, or major fraction thereof.

11 49. Defendants intentionally failed to authorize and permit Plaintiffs and the
12 Aggrieved Employees to take all 10-minute rest periods free from any work duties in accordance
13 with the Wage Order.

14 50. At all relevant times, Defendants failed to authorize and permit Plaintiffs and the
15 Aggrieved Employees to take all timely rest periods. Furthermore, Defendants failed to pay
16 premium wages to Plaintiffs and the Aggrieved Employees for days on which they failed to
17 authorize and permit Plaintiffs and the other Aggrieved Employees to take timely rest periods.

18 51. At all relevant times, due to high workload, Defendants failed to authorize and
19 permit Plaintiffs and the Aggrieved Employees to take ten-minute, paid, duty-free rest breaks
20 every four hours worked or major fraction thereof. Defendants did not seek an exemption from
21 the rest period protections of the Wage Order from the California Division of Labor Standards
22 Enforcement. Moreover, Defendants failed to pay Plaintiffs and the Aggrieved Employees
23 premium wages on workdays they failed to authorize and permit them to take 10-minute rest
24 periods every four hours worked or major fraction thereof.

25 52. Plaintiffs are informed and believe and thereon allege that, at all
26 relevant times within the applicable limitations period, Defendants had a policy, practice, or a
27 lack of a policy which resulted in Defendants not authorizing and permitting Plaintiffs and the
28 Aggrieved Employees to take all rest breaks required by California law.

D. FAILURE TO INDEMNIFY

53. In pertinent part, California Labor Code section 2802(a) states, "An employer shall
indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct
consequence of the discharge of his or her duties."

54. Labor Code section 1198 prohibits employers from employing their employees

under conditions prohibited by the Wage Order.

55. At all relevant times during the applicable limitations period, as a condition for employment, Defendants required Plaintiff and the Aggrieved Employees to incur certain business expenses. These costs include, but are not limited to, use of personal cell phones to communicate with management concerning work matters as well as food handler certification expenses. However, Defendants did not reimburse Plaintiffs and the others for these business expenses.

56. Therefore, Defendants failed to indemnify Plaintiffs and the Aggrieved Employees for expenditures incurred as a direct consequence of discharging their duties in violation of California Labor Code sections 2800 and 2802.

57. Plaintiffs are informed and believe and thereon allege that, at all relevant times, Defendants maintained a policy and/practice, or lack thereof, which resulted in Defendants' failure to indemnify Plaintiffs and the Aggrieved Employees for the reasonable expenses they incurred during the course of performing their duties.

E. FAILURE TO PROVIDE ACCURATE AND COMPLETE WRITTEN WAGE STATEMENTS

58. Pursuant to California Labor Code § 226(a), Plaintiffs and the Aggrieved Employees were entitled to receive, bi-weekly or at the time of each payment of wages, an accurate itemized statement showing: a) gross wages earned; b) net wages earned; c) all applicable hourly rates in effect during the pay period; and d) the corresponding number of hours worked at each hourly rate by the employee.

59. Pursuant to California Labor Code § 226, an employee is deemed to suffer injury if the employer fails to provide a wage statement. Also, an employee is deemed to suffer injury if the employer fails to provide accurate and complete information as required by California Labor Code § 226(a) and the employee cannot "promptly and easily determine" from the wage statement alone one or more of the following:

A. The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to California Labor Code § 226(a);

B. Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period;

1 C. The name and address of the employer and, if the employer is a farm labor
2 contractor, as defined in subdivision (b) of Section 1682 of the California Labor Code, the name
3 and address of the legal entity that secured the services of the employer during the pay period;

4 D. The name of the employee and only the last four digits of his or his social
5 security number or an employee identification number other than a social security number; and

6 E. The number of piece-rate units earned and the piece rate.

7 60. "Promptly and easily determine," as stated in California Labor Code § 226(e),
8 means a reasonable person would be able to readily ascertain the information without reference
9 to other documents or information.

10 61. As alleged herein, at all relevant times during the applicable limitations period,
11 Defendants violated California Labor Code section 226 because they did not properly and
12 accurately itemize each employee's gross wages earned, net wages earned, the total hours worked,
13 the corresponding number of hours worked at each rate by the employee and other requirements
14 of California Labor Code section 226. Defendants failed to state in the wage statements they
15 issued to Plaintiffs and the other Aggrieved Employees all their hours worked and wages earned,
16 including, but not limited to, regular and overtime wages for work they performed off-the-clock
17 (as described above).

18 62. Defendants' failure to provide Plaintiffs and the other Aggrieved Employees with
19 accurate wage statements was knowing and intentional. Defendants had the ability to provide
20 Plaintiffs and the other Aggrieved Employees with accurate wage statements but intentionally
21 provided wage statements that Defendants knew were not accurate.

22 63. As a result of being provided with inaccurate wage statements by Defendants,
23 Plaintiffs and the other Aggrieved Employees have suffered injury. Their legal rights to receive
24 accurate wage statements were violated and they were misled about the amount of wages they
25 had actually earned and were owed. In addition, the absence of accurate information on their wage
26 statements prevented immediate challenges to Defendants' unlawful pay practices, has required
27 discovery and mathematical computations to determine the amounts of wages owed, has caused
28 difficulty and expense in attempting to reconstruct time and pay records and/or has led to the
submission of inaccurate information about wages to state and federal government agencies.
Further, Plaintiffs and the other Aggrieved Employees were not able to ascertain from the wage
statements whether Defendants complied with their obligations under California Labor Code

1 section 226(a).

2 **F. UNTIMELY WAGES DURING EMPLOYMENT**

3 64. Labor Code § 204 states:

4 (a) All wages, other than those mentioned in Section 201,
5 201.3, 202, 204.1, or 204.2, earned by any person in any
6 employment are due and payable twice during each
7 calendar month, on days designated in advance by the
8 employer as the regular paydays. Labor performed
9 between the 1st and 15th days, inclusive, of any calendar
10 month shall be paid for between the 16th and the 26th day
11 of the month during which the labor was performed, and
12 labor performed between the 16th and the last day,
13 inclusive, of any calendar month, shall be paid for
14 between the 1st and 10th day of the following month. ...

15 (b) (1) Notwithstanding any other provision of this
16 section, all wages earned for labor in excess of the normal
17 work period shall be paid no later than the payday for the
18 next regular payroll period.

19 (2) An employer is in compliance with the
20 requirements of subdivision (a) of Section 226
21 relating to total hours worked by the employee, if
22 hours worked in excess of the normal work period
23 during the current pay period are itemized as
24 corrections on the paystub for the next regular pay
25 period. Any corrections set out in a subsequently
26 issued paystub shall state the inclusive dates of
27 the pay period for which the employer is
28 correcting its initial report of hours worked.

(c) However, when employees are covered by a collective
bargaining agreement that provides different pay
arrangements, those arrangements shall apply to the
covered employees.

(d) The requirements of this section shall be deemed satisfied
by the payment of wages for weekly, biweekly, or
semimonthly payroll if the wages are paid not more than
seven calendar days following the close of the payroll
period.

65. Defendants failed to compensate Plaintiffs and the Aggrieved Employees for all
hours worked at the correct rates of pay, including overtime. Defendants failed to provide

1 Plaintiffs and the Aggrieved Employees with all meal and rest periods in compliance with
2 California laws. Defendants also failed to provide Plaintiffs and the Aggrieved Employees with
3 all premium wages on workdays they failed to provide them with one or more meal or rest periods
4 in compliance with California laws. As a result, Defendants failed to timely pay all earned
5 minimum, overtime, and premium wages due during employment within the time periods set by
6 California Labor Code section 204.

7 **G. UNTIMELY FINAL WAGES**

8 66. Labor Code § 201 provides that all earned and unpaid wages of an employee who
9 is discharged are due and payable immediately at the time of discharge.

10 67. Labor Code § 202 provides that all earned and unpaid wages of an employee who
11 quits after providing at least 72-hours notice before quitting are due and payable at the time of
12 quitting and that all earned and unpaid wages of an employee who quits without providing at least
13 72-hours notice before quitting are due and payable within 72 hours.

14 68. By failing to pay earned minimum and premium wages to Plaintiffs and the
15 Aggrieved Employees, Defendants failed to timely pay them all earned and unpaid wages in
16 violation of Labor Code § 201 or § 202.

17 69. Plaintiffs are informed and believe that Defendants' failures to timely
18 pay Plaintiffs and the Aggrieved Employees all of their earned and unpaid wages (described
19 above) have been willful in that, at all relevant times, Defendants have deliberately maintained
20 policies and practices that violate the requirements of the Labor Code and the Wage Order, even
21 though at all relevant times, they have had the ability to comply with those legal requirements.

22 **H. FAILURE TO MAINTAIN ACCURATE EMPLOYMENT RECORDS**

23 70. Labor Code § 1174 states:

24 Every person employing labor in this state shall:

25 ...

26 (c) Keep a record showing the names and addresses of all employees
employed and the ages of all minors.

27 (d) Keep, at a central location in the state or at the plants or establishments
28 at which employees are employed, payroll records showing the hours
worked daily by and the wages paid to, and the number of piece-rate

units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.

71. Labor Code § 1174.5 states:

Any person employing labor who willfully fails to maintain the records required by subdivision (c) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

72. Section 7 of the Wage Order states:

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the Employee.
- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

73. Labor Code § 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

74. On information and belief, Defendants have willfully failed to maintain the records

1 required by § 1174 and Wage Order, including, but not limited to, the total premium wages earned
2 for missed meal and rest periods, and records pertaining to all unpaid hours worked by Plaintiffs
3 and the Aggrieved Employees.

4 75. Accordingly, Plaintiffs seek an award of civil penalties against the Defendants on
5 behalf of himself and all of the other Aggrieved Employees as follows: (1) \$500 for each
6 aggrieved employee for each violation of Labor Code section 1174 (penalties set by Labor Code
7 section 1174.5); and (2) \$100 for each aggrieved employee for each initial violation of Labor
8 Code section 1198, and \$200 for each Aggrieved Employee for each subsequent violation, per
9 pay period (penalties set by Labor Code section 2699(f)(2)).

10 **I. CIVIL PENALTIES SOUGHT**

11 76. During the applicable time period, Defendants violated California Labor Code
12 §§ 201, 202, 203, 204, 226, 226.7, 351, 353, 510, 512, 558, 1174, 1194, 1197, 1198, 2802 and
13 related Labor Code statutes.

14 77. California Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on
15 behalf of themselves and other current or former employees, to bring a civil action to recover civil
16 penalties pursuant to the procedures specified in California Labor Code § 2699.3.

17 78. Pursuant to California Labor Code §§ 2699(a) and (f), Plaintiffs and the Aggrieved
18 Employees are entitled to recover civil penalties for each of the Defendants' violations of
19 California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 351, 353, 510, 512, 558, 1174, 1194,
20 1197, 1198, and 2802 during the applicable limitations period in the following amounts:

21 A. For violations of California Labor Code § 204, one hundred dollars
22 (\$100.00) for each aggrieved employee for each initial violation and two hundred dollars
23 (\$200.00) for each aggrieved employee for each subsequent, willful or intentional violation
24 (penalty amounts established by California Labor Code § 210).

25 B. For violations of California Labor Code § 226, two hundred fifty dollars
26 (\$250.00) per employee for initial violation and one thousand dollars (\$1,000.00) per employee
27 for each subsequent violation (penalty amounts established by California Labor Code § 226.3).

28 C. For violations of California Labor Code §§ 510 and 512, fifty dollars

1 (\$50.00) for each aggrieved employee for each initial violation for pay period for which the
2 employee was underpaid and one hundred dollars (\$100.00) for each underpaid employee for
3 each pay period for which the employee was underpaid (penalty amounts established by
4 California Labor Code § 558).

5 D. For violations of California Labor Code § 1174, five hundred dollars
6 (\$500.00) for each Aggrieved Employee for each initial violation (penalty amounts established
7 by Labor Code § 1174.5).

8 E. For violations of California Labor Code § 1197, one hundred dollars
9 (\$100.00) for each Aggrieved Employee for each initial and intentional violation and two hundred
10 fifty dollars (\$250.00) for each Aggrieved Employee for each subsequent violation, per pay period
11 (regardless of whether the initial violations were intentionally committed) (penalty amounts
12 established by California Labor Code § 1197.1).

13 F. For violations of California Labor Code §§ 201, 202, 203, 226.7, 1194,
14 1198, and 2802, one hundred dollars (\$100.00) for each aggrieved employee per pay period for
15 each initial violation and two hundred dollars (\$200.00) for each aggrieved employee per pay
16 period for each subsequent violation (penalty amounts established by California Labor Code
17 § 2699(f)(2)).

18 **J. NOTICE TO THE STATE OF CALIFORNIA AND DEFENDANTS**

19 79. Plaintiffs have complied with the procedures for bringing suit specified in
20 California Labor Code § 2699.3. By letter dated September 18, 2024, Plaintiffs gave written
21 notice by certified mail to the Labor and Workforce Development Agency (“LWDA”) and
22 Defendants of the specific provisions of the California Labor Code alleged to have been violated,
23 including the facts and theories to support the alleged violations. The LWDA has failed to take
24 action in response within 65 days of Plaintiffs’ notice dated September 18, 2024.

25 80. Pursuant to California Labor Code § 2699(g), Plaintiffs and the Aggrieved
26 Employees are entitled to an award of civil penalties, reasonable attorneys’ fees, and costs in
27 connection with their claims for civil penalties.

28 **PRAYER FOR RELIEF**

81. WHEREFORE, Plaintiffs, on behalf of themselves and the Aggrieved

1 Employees, pray for relief and judgment against Defendants as follows:

- 2 A. Civil penalties;
- 3 B. Costs of suit;
- 4 C. Reasonable attorneys' fees; and
- 5 D. Such other relief as the Court deems just and proper.

6 **DEMAND FOR JURY TRIAL**

7 Plaintiffs, on behalf of themselves and all other Aggrieved Employees, hereby demand a
8 jury trial on all issues so triable.

9 Respectfully submitted,

10 Dated: February 6, 2025

MM LAW, APC

11 By: _____

12 Maralle Messrelian, Esq.
13 Attorney for Plaintiffs,
14 Bethany Clayton, Yasmin Soltani, and
15 all others similarly situated