

1 Mark J. Bluer, SBN 157071
2 BLUER & BLUER, LLP
3 222 Sutter Street, Suite 600
4 San Francisco, California 94108
5 Telephone Number: 415-989-1281
6 Facsimile Number: 415-358-4306
7 Email: mbluer@bluerlaw.com

8 Attorneys for Plaintiffs MINYING ZHANG, CHAOJIE
9 ZHOU, QITENG MA, ZHENHUA XU, CHUPING CHEN,
10 and ZHIGUANG LI

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO
UNLIMITED JURISDICTION

MINYING ZHANG, CHAOJIE ZHOU,
QITENG MA, ZHENHUA XU, CHUPING
CHEN, and ZHIGUANG LI,

Plaintiffs,

vs.

HOT POT SACRAMENTO 1, LLC. and
DOES 1- 25,

Defendants.

) Case No: 25CV023087

)
) **DECLARATION OF MARK J. BLUER**
) **IN SUPPORT OF MOTION TO**
) **APPROVE PAGA SETTLEMENT AND**
) **AWARD FOR ATTORNEYS' FEES AND**
) **COSTS**

)
)
) Hearing Date: January 8, 2027
) Hearing Time: 9:00 a.m.
) Hearing Location: Department 8A

) **Reservation # A-23087-004**

)
)
) Date Action filed: September 29, 2025
) Trial Date: TBD

1 I, MARK J. BLUER, declare:

2 1. I am the attorney for Plaintiff MINYING ZHANG in the above-referenced action.
3 I have personal knowledge of the foregoing facts and if called upon to testify, I could and would
4 competently testify thereto in a court of law.

5 2. I have reviewed the Court's Checklist for Approval of Class Action and/or PAGA
6 Settlements and the Moving Papers in this Motion are intended to comply with the Checklist.

7 3. This PAGA dispute is approximately two years old. On October 18, 2024,
8 Plaintiff ZHANG filed a notice with the Labor Workforce and Development Agency ("LWDA")
9 alleging that Defendant HOT POT SACRAMENTO violated minimum wage and overtime laws,
10 as well as labor laws governing earnings statement compliance, tip pooling and expense
11 reimbursement. The LWDA never communicated its intent to investigate Plaintiff ZHANG's
12 alleged PAGA violations within 65 days of Plaintiff's LWDA notice. A true and correct copy of
13 the Notice to LWDA is attached hereto as **EXHIBIT 'A.'**

14 4. On November 11, 2024, MINYING ZHANG, ZHENHUA XU, CHUPING
15 CHEN, and ZHIGUANG LI, and HOT POT SAC entered into a tolling agreement, which tolled
16 the statute of limitations for both the individual and PAGA claims. Over the next 10 months,
17 Plaintiffs and HOT POT SAC attempted to resolve Plaintiffs' respective claims. Despite their
18 good faith efforts, the parties were unable to reach a settlement of either the individual claims or
19 the PAGA claims.
20

21 5. In or about mid-September 2025, I notified HOT POT SAC of Plaintiffs' intent to
22 terminate the tolling agreement. On September 29, 2025, Plaintiffs filed a Complaint alleging
23 that Defendant HOT POT SAC violated Gov. Code § 12940 *et. sec.* (ZHANG), 29 U.S.C. 203,
24 216; Cal. Labor Code §§ 203, 226(e), 1194, 510, 226.7, 2802, IWC Wage Order 5-2001 (Split
25

Shift Premiums). The Complaint also sought civil penalties under PAGA. A true and correct copy of the Complaint is attached hereto as **EXHIBIT ‘B.’**

6. As part of the Parties’ informal efforts to resolve the labor claims, HOT POT SAC agreed to provide relevant documents, including Plaintiffs’ personnel files, payroll and time records, and documents concerning the policies and practices at issue in Plaintiffs’ PAGA claims. The aggrieved employees consist of 18 cashiers, food servers, and bussers. The records from the six Plaintiffs (i.e., two cashiers and four food servers) represent approximately 33% of the PAGA group.

7. A true and correct copy of the PAGA Settlement Agreement executed on July 14, 2026 is attached hereto as **EXHIBIT ‘C.’**

8. As part of my evaluation of the PAGA violations, I requested that HOT POT SAC produce the personnel and payroll files for all six Plaintiffs. These records provided sufficient documentation to evaluate the strength of the labor code violations claims for the PAGA class.

9. My efforts to resolve this claim prior to filing the instant civil action included drafting a demand letter, follow-up emails, telephonic and video calls with opposing counsel regarding settlement.

10. Dissatisfied with the progress of the negotiation, Plaintiffs filed the instant civil Action; in response, Defendant HOT POT SAC filed a Petition to Compel Arbitration. The filing of the suit renewed settlement discussions between counsel (oral and written). The parties had discussed engaging a mediator, but were able to make a breakthrough in their negotiations, which obviated the need to engage a mediator. Just prior to the April 17, 2026 hearing on the Petition for the Motion to Compel Arbitration, the parties agreed upon the terms of settlement for the PAGA claims as well as for the individual claims.

1 11. This release is limited to the 19 pay periods (October 19, 2023 through July 21,
2 2024) because Plaintiffs lack sufficient evidence to prosecute a claim for PAGA civil penalties
3 beyond the PAGA period. The parties have agreed to set the PAGA period as less than one year.
4 This limitation allows for the LWDA or another PAGA representative to bring claims for
5 violations that were alleged to have occurred after July 21, 2024.

6 12. As set forth in the Settlement Agreement, the Parties agreed to engage Phoenix
7 Class Action Administrative Solutions to serve as the PAGA Settlement Administrator
8 (hereinafter, “Phoenix”). HOT POT SAC will fund the settlement; provide Phoenix with names,
9 addresses and tax identification information for all 18 employees in the PAGA class, as well as
10 the employment term of each employee. Phoenix will be responsible for mailing settlement
11 notices; distributing the Settlement Fund in accordance with the Court’s order; calculating
12 payments (including the LWDA Payment, and workweek-based payments to Covered
13 Employees); and preparing and mailing all settlement checks and IRS Forms 1099. The
14 Settlement Administrator has agreed to perform all necessary settlement administration duties for
15 a reasonable fee of \$2,500.00. This proposed expense is fair, adequate, and reasonable given the
16 number of Covered Employees (18) and the duties to be performed. See **EXHIBIT 'E'**

17
18 13. Though Plaintiff believes she had a reasonable chance of prevailing if she had an
19 opportunity to conduct further discovery, substantial costs and legal fees would have been
20 incurred. Rather than increasing the total net amount of civil penalties (i.e., after fees and
21 costs), these anticipated expenses could have rendered the litigation impractical by causing the
22 legal fees and costs to “eat into” a future settlement of the civil penalties. Thus, an early
23 settlement in the sum of \$50,000.00 appears to be the most expeditious and sensible resolution of
24 the PAGA claims.
25

1 14. The representation provided by me as PAGA counsel has been wholly contingent.
2 I spent or will spend over 30 hours of attorney time on the PAGA claims and advanced \$1,135.00
3 in out-of-pocket costs to obtain relief for the PAGA Group Members and the State of California
4 (hereinafter "LWDA"). A true and correct copy of my billing records is attached hereto as
5 **EXHIBIT 'D.'** No charges have been included for secretarial or paralegal work, and the total
6 hours worked by me (30 hours) are reasonable and conservative estimate of the hours that will be
7 spent on this case until a judgment in this matter is entered by the Court.
8

9 15. None of the hours claimed herein relate to prosecuting the individual claims.

10 16. I have been the only legal counsel representing PAGA representative MINYING
11 ZHANG in this matter. I am the managing partner of Bluer & Bluer, a San Francisco based law
12 firm. I have over twenty-five years' experience handling individual labor and employment cases
13 (litigation) and over 5 years' experience handling PAGA litigation. My hourly rate for this case
14 is \$500 per hour. Said rate is the reasonable and usual hourly rate charged by me for such
15 services.
16

17 17. I respectfully request that the Court approve an attorney's fees award in the
18 amount of \$11,365.00. In percentage terms, the requested fee award is significantly less than the
19 amount I would receive if I had requested compensation based solely on my hourly rate and
20 hours worked. Accordingly, because the requested fee amount is reasonable and justified in
21 light of the hours actually spent; it is also supported by a lodestar cross-check, and maximizes
22 the net recovery to both the LWDA and to the aggrieved employees

23 18. I request reimbursement of \$1,135.00 in costs which my firm incurred in this
24 action. They include the filing of an LDWA PAGA Notice (\$75.00); complex filing fee
25 (\$1,000), and the filing of this Motion (\$60.00). Though I incurred (and will incur) other minor
costs, I am not seeking any other cost reimbursement.

19. I initiated these PAGA claims over 21 months ago. During that time, I dedicated considerable labor and monetary resources to prosecute this case. I conducted a significant amount of investigation into the factual and legal issues, Defendants' businesses, and their operations and employment policies, practices, and procedures. I also interviewed and obtained information from Plaintiffs, who do not speak fluent English (1.0 hr.). I am fluent in Mandarin Chinese and all communications with Plaintiffs were conducted in Chinese.

20. I also conducted legal research, reviewed and analyzed a large volume of documents and data, evaluated the PAGA claims and calculated the potential monetary recovery under the PAGA (3.5 hrs.). I also met and conferred with Defendant's counsel over numerous PAGA-related issues relating to discovery (formal and informal), possible mediation, and settlement (over 2.0 hrs.). I also performed other work including, *inter alia*, case strategy and analysis; as well as drafting, reviewing, and revising pleadings and other legal documents (20+ hrs.).

21. A true and correct copy of LWDA confirmation that I notified the LWDA of the Settlement of this PAGA claim (and the hearing of this matter) is attached hereto as EXHIBIT 'F'

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this Declaration was executed on this 17 day of August 2026 in San Anselmo, California.

Mark Bluer
MARK J. BLUER

EXHIBIT ‘A’

BLUER & BLUER, LLP

222 Sutter Street, Suite 600, San Francisco, CA 94108
Telephone: (415) 989-1281 Facsimile: (415) 358-4306
www.bluerlaw.com

Mark J. Bluer

Susan G. Bluer

October 18, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Secretary Stewart Knox
Labor & Workforce Development Agency
Attn: PAGA Administrator
800 Capitol Mall, Suite 5000
Sacramento, CA 95814
(Submitted Electronically)

Wenying Zhao, Agent for Service of Process
Hot Pot Sacramento 1, LLC
7271 Franklin Blvd.
Sacramento, California 95823

Re: Notice Pursuant to Labor Code § 2699.3(a)(1)
Labor Code Private Attorney General Act (“PAGA”)

Employer: Hot Pot Sacramento 1, LLC

Employees: Minying Zhang

Dear Secretary Knox:

Pursuant to the Private Attorney General Act of 2004, California Labor Code § 2698 et seq. (“PAGA”), representative Minying Zhang (“Zhang”), on behalf of herself and all other aggrieved employees of Hot Pot Sacramento 1, LLC, give notice of her allegations that her former employer, Hot Pot Sacramento 1, LLC (“Hot Pot SAC”), violated the California Labor Code during her period of employment.

This letter shall serve the dual purpose of providing the LWDA with the theory and statutes under which Ms. Zhang seeks to pursue penalties under the PAGA, as well as a demand that all unpaid wages owed upon each pay period be immediately paid to Ms. Zhang and all other aggrieved employees pursuant to Labor Code § 211.

This letter follows a prior PAGA action brought in 2018 (“Prior PAGA Action”). The Prior PAGA Action, entitled *Wei Dong et. al. v. Little Sheep International, Inc., Los Angeles Superior Court, Case No. BC696904*, was litigated and resolved in 2023. Among other Hot Pot Restaurants located in California, Hot Pot SAC was deemed by the Court to be a part of the

PAGA Group. The “PAGA Period” was deemed to be from November 14, 2016 through April 1, 2022. Ms. Zhang was a PAGA Group Member and received a settlement from that Prior PAGA Action.

RELEVANT FACTS

Minying Zhang was hired by restaurant manager Alex Li as a cashier in 2017. Her work at Hot Pot SAC was uninterrupted until mid-July 2024 when she was forced by management to quit her job. She was in the third trimester of her pregnancy. Throughout her employment, Ms. Zhang was promised the prevailing minimum wage. Her final hourly rate was \$16.00 per hour. However, Ms. Zhang never received her promised hourly rate for all of her regular hours worked. Similarly, Ms. Zhang and the other aggrieved service workers were underpaid as follows:

1. **Required early arrival for shifts.** Ms. Zhang and the other service workers were required to show up 15 minutes prior to the beginning of their respective shifts, during which time they were expected to do prep work (cleaning, counting money in the till, etc.). They were not allowed to clock in until their shifts actual commenced. Consequently, the time records and earnings statements do not reflect the additional time they worked for Hot Pot SAC. For service workers who worked two shifts, the uncompensated time was as much as 30 minutes per day!
2. **Understatement of hours worked.** Ms. Zhang and the aggrieved employees regularly worked more hours than they were paid for. Particularly on long work days, the workers were not paid for the all hours they actually worked.
3. **No wages paid for work on off days.** Hot Pot SAC management had a regular practice of relying on workers on their off days to make purchases for the restaurant. As many as 4 times per month, Ms. Zhang and her fellow service workers were called upon (1) to purchase needed restaurant supplies, and (2) to bring them back to the restaurant. The service workers would drive their own vehicles to make these purchases. After predictable delays, Hot Pot SAC eventually reimbursed them for the purchases. However, none of the mileage driven in their own vehicles was reimbursed, *and* they were not compensated for any of the time they spent running errands.

Ms. Zhang and other workers were also regularly called in during each pay period to participate in employee meetings or to perform other occasional duties, such as changing the posters in the restaurant. Ms. Zhang and the other service workers were not allowed to clock in (and get paid) for these meetings and miscellaneous tasks, which lasted as long as one hour.

The failure to pay Ms. Zhang and the other aggrieved employees all of their hours worked also resulted in a failure to pay them overtime. This failure occurred when Ms.

Zhang worked shifts close to, or in excess of, eight hours. Though their earnings statements occasionally indicated some overtime hours worked, the stated overtime hours did not include any of their off-the-clock work time. Thus, to the extent that the overtime hours were reflected on the earnings statements, the earnings statements necessarily understated the actual overtime hours worked. Furthermore, prior to October 2023, no overtime hours were paid out at all, even though Ms. Zhang and the aggrieved employees worked over eight hours in a day.

Ms. Zhang, along with the other food servers, all participated in a tip pool. They were forced to share a portion of the tips with the restaurant manager, Alex Li.

THEORY OF LABOR CODE VIOLATIONS

Failure to Pay All Wages Owed in Each Pay Period & Failure to Pay Minimum Wage

As set forth above, the off-the-clock work resulted in Ms. Zhang and the aggrieved employees receiving less than all wages earned during each pay period in violation of Labor Code §§ 204. For those off-the-clock hours worked also gives rise to minimum wage violations. This failure to pay them in full subjects Hot Pot SAC to liability pursuant to Labor Code §§ 210, 558, 1197, 1199, 2698 et seq., and 2810.3.

Failure to Pay All Overtime Wages Owed in Each Pay Period

Ms. Zhang and the other service workers were all non-exempt employees. IWC Order 5-2001, Section 1. They were entitled to receive premium wages (1.5x) for all hours worked each day in excess of 8 hours. *Non-Exempt employees may receive overtime pay even if they are classified as part-time workers!* As set forth above, the off-the-clock work contributed to or aggravated Hot Pot SAC's failure to fully pay their employees' overtime wages each pay period. This underpayment wages (and, in some cases, non-payment of wages) was in violation of Labor Code §§ 510, 1194. This failure to pay them in full subjects Hot Pot SAC to liability pursuant to Labor Code §§ 510, 1194, 2698 et seq., and 2810.3.

Failure to Furnish Wage Statements in Accord with California Law

Hot Pot SAC violated California Labor Code § 226 by willfully failing to furnish Ms. Zhang and the other aggrieved employees with accurate wage statements showing all wages owed and all regular and overtime hours worked. Pursuant to Labor Code §§ 226(e), 226.3, 1199 and 2698 et seq., Hot Pot SAC is subject to civil penalties. In view of similar violations in the Prior PAGA Action, your failure to cure these violations after the 33-day cure period exposes Hot Pot SAC to "subsequent violation" civil penalties of \$1,000 per earnings statement violation per employee (as compared to initial violation of \$250 per violation).

Tip Pooling Violations

As set forth above, restaurant manager, Alex Li, has been wrongfully sharing tips with the service workers, even though he was the restaurant's manager and Hot Pot SAC's highest ranking employee. Alex Li reported to the regional manager. Restaurant Manager Li's receipt of tips was in violation of California Labor Code § 351, which prohibits management from receiving tips. The failure to properly and fully distribute tips to Ms. Zhang and the other service workers exposes Hot Pot SAC to liability pursuant to §§ 351, 2699.5.

Failure to Reimburse Expenses

As a condition of their employment with Hot Pot SAC, Ms. Zhang and the other aggrieved employees were all required to maintain a working phone and have internet access. Management relied upon the Wechat app to communicate with its employees. Having telephones and internet access enabled management to reach off duty employees to perform errands (as described above) and to receive notifications such as to attend restaurant-wide meetings. Hot Pot SAC never paid for any of the telephones or telecommunications fees for these services, nor did it ever reimburse the employees for the related expenses they paid. Cal. Labor Code requires employers to indemnify employees for all expenses incurred as a direct consequence of the discharge of their duties. The failure to indemnify Ms. Zhang and the other service workers exposes Hot Pot SAC to liability pursuant to §§ 2802, 2699.5.

Continuation of Wage Violations

By reason of Hot Pot SAC's willful acts regarding the compensation schemes addressed above, Hot Pot SAC failed to pay Ms. Zhang and all former employees all wages owed at termination. Accordingly, Hot Pot SAC is subject to liability pursuant to Labor Code §§ 203, 1197.1 and 2698 et seq.

"Heightened" Penalties

On August 15, 2023, the Los Angeles Superior Court approved the Prior PAGA Action. In view of the court's Order, it is surprising that Hot Pot SAC has failed to correct the aforementioned problems. These ongoing violations gives rise to a \$200 civil penalty per violation per pay period. Cal. Labor Code § 2699(f)(2)(B).

CONCLUSION

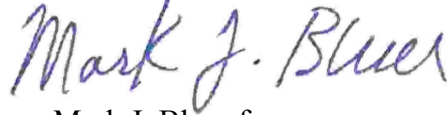
Ms. Zhang requests a response from the LWDA pursuant to Labor Code § 2699.3(a)(2) at its earliest opportunity. She further requests that Hot Pot SAC cure all applicable violations in compliance with Labor Code § 2699.3(c)(2)(A).

Ms. Zhang shall submit payment to the LWDA of \$75 by check pursuant to Labor Code § 2699.3(a)(1)(B). In the event that the LWDA investigates and pursues this matter rather than permitting Ms. Zhang to pursue this action on behalf of the aggrieved employees, she hereby requests reimbursement of her fee as her constitutional rights have been infringed upon by

requiring payment of a fee to lodge a complaint that is investigated and pursued by the State, and which results in collection of penalties as a result of said complaint.

Thank you for your immediate attention to this matter. If you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Mark J. Bluer". The signature is written in a cursive, flowing style.

Mark J. Bluer for
BLUER & BLUER, LLP

cc: client

EXHIBIT ‘B’

09/29/2025

By: R. San Miguel Deputy

Mark J. Bluer, SBN 157071
BLUER & BLUER, LLP
222 Sutter Street, Suite 600
San Francisco, California 94108
Telephone Number: 415-989-1281
Facsimile Number: 415-358-4306
Email: mbluer@bluerlaw.com

Attorneys for Plaintiffs MINYING ZHANG, CHAOJIE
ZHOU, QITENG MA, ZHENHUA XU, CHUPING CHEN,
and ZHIGUANG LI

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO

UNLIMITED JURISDICTION

MINYING ZHANG, CHAOJIE ZHOU,
QITENG MA, ZHENHUA XU, CHUPING
CHEN, and ZHIGUANG LI,

Plaintiffs,

vs.

HOT POT SACRAMENTO, INC. and DOES
1- 25,

Defendants.

Case No: **25CV023087**

**COMPLAINT FOR DAMAGES AND
CIVIL PENALTIES:**

Plaintiffs allege:

I. NATURE OF THE ACTION

This Action arises from multitudinous violations of the California Labor Code as well as violations of the Fair Employment & Housing Act ("FEHA"). All Plaintiffs were long term employees of Defendant HOT POT SACRAMENTO's restaurant, Happy Lamb Hot Pot in Sacramento, California. They seek compensatory damages and penalties arising from Defendant HOT POT SACRAMENTO's failure to pay wages in full, failure to pay wage premiums and

1 failure to provide accurate earnings statements. Separately, Plaintiff MINYING ZHANG seeks
2 on behalf of herself and all other aggrieved employees, including the other Plaintiffs in this
3 Action, civil penalties arising from HOT POT SAC's labor code violations. On July 20, 2024,
4 Plaintiff MINYING ZHANG was forced to quit because she was pregnant. She alleges damages
5 arising from HOT POT SAC's discriminatory and harassing actions that drove her to quit.

6 **II. GENERAL ALLEGATIONS**

7
8 1. At all times relevant herein, Plaintiff MINYING ZHANG was a resident of the
9 County of Sacramento, State of California (hereinafter, "Plaintiff ZHANG").

10 2. At all times relevant herein, Plaintiff CHAOJIE ZHOU was a resident of the
11 County of Sacramento, State of California (hereinafter, "Plaintiff ZHOU").

12 3. At all times relevant herein, Plaintiff QITENG MA was a resident of the County
13 of Sacramento, State of California (hereinafter, "Plaintiff MA").

14 4. At all times relevant herein, Plaintiff ZHENHUA XU was a resident of the
15 County of Sacramento, State of California (hereinafter, "Plaintiff XU").

16 5. At all times relevant herein, Plaintiff CHUPING CHEN was a resident of the
17 County of Sacramento, State of California (hereinafter, "Plaintiff CHEN").

18 6. At all times relevant herein, Plaintiff ZHIGUANG LI was a resident of the
19 County of Sacramento, State of California (hereinafter, "Plaintiff LI").

20
21 7. At all times relevant herein, Defendant HOT POT SACRAMENTO INC. was a
22 California corporation doing business in the County of Sacramento (hereinafter, "Defendant
23 HOT POT SAC").

24 8. At all times relevant herein, Plaintiffs were employees of Defendants, and each
25 of them. Plaintiffs all worked as employees at Defendants' restaurant, Happy Lamb Hot Pot
Restaurant located at 7271 Franklin Blvd, Sacramento, CA 95823.

1 9. At all times mentioned herein, Plaintiffs were acting within the course and scope
2 of their employment.

3 **III. JURISDICTION & VENUE**

4 10. Pursuant to Article VI, § 10 of the California Constitution, subject matter
5 jurisdiction is proper in the Superior Court of California, County of Sacramento, State of
6 California.

7 11. Pursuant to § 395, et. seq. of the California Code of Civil Procedure, venue is
8 proper in the Superior Court of California, County of Sacramento, State of California, because
9 this is where Plaintiffs were employed, and where the wrongful misconduct alleged herein
10 occurred.
11

12 **IV. CLAIM FILINGS, DISPOSITIONS, EXHAUSTION OF**
13 **ADMINISTRATIVE REMEDIES & TOLLING AGREEMENTS**

14 12. At all times herein mentioned, MINYING ZHANG was an aggrieved employee of
15 Defendant HOT POT SACRAMENTO, and has standing to bring claims against Defendant
16 under the Private Attorney General Act of 2004 (“PAGA”).

17 13. Pursuant to California Labor Code § 2699.3 and other provisions of California
18 law, Plaintiff ZHANG has exhausted all administrative remedies and satisfied all private,
19 administrative, and judicial prerequisites to the institution of this Action. Specifically, on
20 October 18, 2024, Plaintiff ZHANG sent a written notice by certified mail to Defendant HOT
21 POT SAC and California Labor and Workforce Development Agency (LWDA), including
22 specific provisions of the Labor Code that have been violated and facts and theories to support
23 such violations. To date, more than 65 calendar days after the postmark date of Plaintiff
24 ZHANG’s written notice, Plaintiff has not received a response from the LWDA.
25

1 14. On or about November 12, 2024, Plaintiffs MINYING ZHANG, CHUPING
2 CHEN, ZHENHUA XU and ZHIGUANG LI, on the one hand, and HOT POT SACRAMENTO,
3 INC., through their respective counsel, entered into a tolling agreement that tolled all of
4 ZHANG, CHEN, XU and LI's labor and employment claims.

5 15. On or about January 13, 2025, Plaintiffs CHAOJIE ZHOU and QITENG MA, on
6 the one hand, and HOT POT SACRAMENTO, INC., through their respective counsel, entered
7 into a tolling agreement that tolled all of ZHOU and MA's labor and employment claims.
8

9 16. Under the Tolling Agreements, the termination of the tolling period is effective
10 upon 10 days written notice to the other party. On or about September 15, 2025, Plaintiffs
11 notified HOT POT SACRAMENTO, INC. of its intention to terminate the November 12, 2024
12 and January 13, 2025 Tolling Agreements. The period of tolling under both agreements ended
13 on September 24, 2025.

14 17. On or about January 13, 2025 and November 12, 2024, Plaintiffs requested,
15 pursuant to Cal. Labor Code § 226, that Defendant HOT POT SAC produce copies of their
16 payroll records. As to each set of payroll records for the Plaintiffs, Defendant HOT POT SAC
17 produced incomplete records, and failed to produce any time records for Plaintiffs prior to 2024.
18 Only summary records were produced. Those records fail to state meal period and split shift
19 times, among other things.
20

21 18. Cal. Labor Code § 1174(d) requires an employer to retain payroll records for
22 three years. Plaintiffs are informed and believe and allege thereon that Defendant HOT POT
23 SAC violated Cal. Labor Code § 1174(d) by failing to retain payroll records for Plaintiff
24 ZHANG and the aggrieved employees, including the each of the other Plaintiffs in this Action.

25 19. As to Plaintiff ZHANG's claim of discrimination on the basis of her sex, Plaintiff
ZHANG has exhausted her administrative remedies. On or about September 22, 2025, Plaintiff

1 ZHANG obtained a right-to-sue letter from the California Civil Rights Department (“CRD”),
2 authorizing Plaintiff ZHANG to bring the instant civil action against Defendant HOT POT
3 SACRAEMENTO, INC. On September 26, 2025, Defendant HOT POT SAC was served with
4 the verified Complaint Notice of Right to Sue via Certified Mail, Return Receipt Requested.
5

6 **V. STATEMENT OF FACTS**

7 20. Plaintiff ZHANG worked as a cashier at HOT POT SAC from June 2017 through
8 July 20, 2024. She received an hourly wage and shared in HOT POT SAC’s tip pool.

9 21. Plaintiff CHEN worked as a cashier at HOT POT SAC from January 5, 2023
10 through July 19, 2024. She received an hourly wage and shared in HOT POT SAC’s tip pool.

11 22. Plaintiff ZHOU worked as a food server at HOT POT SAC from 2017 through
12 July 20, 2024. He received an hourly wage and shared in HOT POT SAC’s tip pool.

13 23. Plaintiff MA worked as a food server at HOT POT SAC from 2017 through
14 July 20, 2024. He received an hourly wage and shared in HOT POT SAC’s tip pool.

15 24. Plaintiff XU worked as a food server at HOT POT SAC from 2017 through
16 July 21, 2024. He received an hourly wage and shared in HOT POT SAC’s tip pool.

17 25. Plaintiff LI worked as a food server at HOT POT SAC from 2017 through July
18 7, 2024. He received an hourly wage and shared in HOT POT SAC’s tip pool.

19 26. Plaintiff ZHANG and all other aggrieved employees, including each of the other
20 Plaintiffs, were regularly required to render services for HOT POT SAC without recording their
21 hours and without receiving compensation for such hours worked (hereinafter, “Off-the-Clock
22 Hours). These Off-the-Clock Hours including the following work:
23

- 24 a. Arriving 15 minutes prior to the commencement of their shifts to clean up and to
25 conduct other preparatory work;

- b. Attending staff meetings and assisting management on various tasks;
- c. Making outside purchases of food and supplies for the restaurant.

27. Plaintiffs are informed and believe and allege thereon that Plaintiff ZHANG and all other aggrieved employees, including each of the other Plaintiffs, were not fully paid for their hours worked because management altered their clock-in and clock-out hours, causing their earnings statements to understate the actual hours worked by Plaintiff ZHANG and all other aggrieved employees, including each of the other Plaintiffs.

28. Plaintiff ZHANG and all other aggrieved employees, including each of the other Plaintiffs, were never notified that they were entitled to accrue sick leave based on the number of hours they worked each week. In violation of Labor Code section 246, Defendants failed to provide written notice of paid sick leave available.

29. Defendant DOES 1 through 25, inclusive, are sued herein under fictitious names, their true names and capacities being unknown to Plaintiffs. Plaintiffs will pray leave of this Court to amend this Complaint to allege the true names and capacities when ascertained. Plaintiffs are informed and believe and thereon allege that each of the fictitiously named defendants is responsible in some manner for the occurrences herein alleged and that Plaintiffs' damages as herein alleged were proximately caused by such defendants.

30. Plaintiffs are informed and believe, and thereon allege that, at all times relevant to this action, each Defendant was the agent, principal, employer, employee, representative, partner and/or associate of each other Defendant, and was acting within the course and scope of that relationship. Plaintiffs are further informed and believe that each of the individual defendants gave consent to, ratified, and authorized the acts alleged herein to each of the remaining defendants.

1 31. Plaintiffs are informed and believe, and allege thereon that, Defendants HOT POT
2 SAC and DOES 1-25, and each of them, were operators of the HOT POT SAC, where Plaintiffs
3 worked, and exercised control, directly or indirectly, over Plaintiffs' wages, hours and working
4 conditions.

5 32. Plaintiffs are informed and believe and allege herein that individual Defendant
6 DOES 1-25 were officers, owners, members or employees of corporate Defendant HOT POT
7 SAC, and had control over Plaintiffs' working conditions as well as the terms of their
8 employment. Defendant DOES 1-25, in dealing with Plaintiffs, were acting in the interest of
9 corporate Defendant.

10 33. Individual Defendants DOES 1-25 are liable for the acts of corporate Defendant
11 as the alter egos of these corporate defendants. Plaintiffs are informed and believe that these said
12 individual defendants, and each of them, have established for their own individual benefit this
13 shell corporation as part of a fraudulent scheme to underpay and underinsure their employees in
14 violation of California and Federal labor laws; to avoid paying creditors; and to avoid paying
15 taxes. Plaintiffs further allege, based on information and belief, that the DOE Defendants have,
16 among other things:

- 17 a. Comingled funds and other assets of the corporate Defendant with their own
18 funds and assets for their own convenience and to assets in evading payment of
19 obligations;
- 20 b. Diverted funds and other assets of the corporate Defendant for non-corporate
21 related uses;
- 22 c. Treated the assets of the corporate Defendant as their own;
- 23 d. Failed to obtain authority to issue or to subscribe to issue shares of the corporate
24 Defendant;
- 25

- 1 e. Failed to maintain minutes or adequate corporate records of corporate Defendant;
2 f. Failed to adequately capitalize or provide any assets to corporate Defendant;
3 and/or
4 g. Diverted assets from corporate Defendant to themselves to the detriment of the
5 creditors, state, local and federal governments, and their employees, including
6 Plaintiffs.

7 In view of the foregoing acts, recognition of the separate existence of the corporate
8 Defendant would promote an injustice against Plaintiffs because the DOE Defendants have in
9 bad faith dominated and controlled the corporate defendant, thereby precluding Plaintiffs from
10 recovering their unpaid wages and tips from the corporate defendant.
11

12 **FIRST CAUSE OF ACTION**
13 **PREGNANCY DISCRIMINATION[FEHA]**
14 **(Violation of Cal. Gov. Code [29 U.S.C. §§ 203, 216]**
15 **(BY PLAINTIFF MINYING ZHANG ONLY)**

16 34. Plaintiff ZHANG incorporates by reference and realleges Paragraphs 1 through
17 33, above.

18 35. California Government Code §§ 12900 *et. seq.* and 12940 *et. seq.* prohibits an
19 employer from harassing, discriminating and retaliating against an employee on the basis of sex.

20 36. Under Cal. Gov. Code §12926(r)(1)(A), “Sex” includes “pregnancy or medical
21 conditions related to pregnancy.”

22 37. On or about February 2024, Plaintiff ZHANG learned she was pregnant.

23 38. In March and April 2024, Plaintiff ZHANG took a leave of absence, so she could
24 visit her family in China before she was unable to travel due to her pregnancy. When she
25 returned to work, she was already showing and informed Manager Li that she was pregnant.

1 39. Shortly after her returned to work, management told Plaintiff ZHANG that she
2 would not only be acting as cashier; she would also be expected to assume duties waiting on
3 tables and maintaining the sauce bar. In the previous 7 years she worked at HOT POT SAC, the
4 food servers were solely responsible for waiting on tables and the bussers were solely
5 responsible for maintaining the sauce bar.

6 40. In the previous 7 years she worked at HOT POT SAC, Plaintiff ZHANG had
7 never been requested by management to perform these extra duties. Plaintiff ZHANG's
8 increased duties (which were onerous given her pregnancy) effectively reduced the duties and
9 responsibilities of the food servers and bussers, none of whom were pregnant.

10 41. Plaintiff ZHANG is informed and believed that management purposely created a
11 physically taxing work environment for Plaintiff ZHANG as a way to force Plaintiff to quit her
12 job.

13 42. Plaintiff ZHANG is informed and believes that management's decision to
14 increase the physical requirements of Plaintiff ZHANG job was motivated by her sex
15 (specifically her status as a pregnant woman) and intended to compel Plaintiff ZHANG to quit
16 her job.

17 43. The reprehensible conduct by management constitutes harassment and
18 discrimination in violation of FEHA and Cal. Gov. Code §§ 12940 *et. sec.*

19 44. The conduct by management alleged herein caused Plaintiff ZHANG to be
20 constructively discharged from her employment on July 20, 2024.

21 45. In California, employer termination may be shown by either actual or constructive
22 discharge. Constructive discharge occurs when an employer engages in conduct that effectively
23 forces the employee to resign or retire. *Turner v. Anheuser-Busch, inc.* (1994) Cal.4th 1238,
24 1244-1245.
25

1 46. Defendant HOT POT SAC knew or should have known of the discriminatory
2 work environment and the above-described conduct by management. Plaintiff alleges on
3 information and believe that Defendant intentionally refused to act and instead, aided,
4 encouraged, fostered, and/or ratified the harassing and discriminatory conduct.

5 47. As a proximate result of Defendant's discriminatory conduct, Plaintiff ZHANG's
6 has sustained and continues to sustain substantial losses in earnings and other employment
7 benefits in a sum to be proven according to proof.

8 48. As a further proximate result of Defendant's discriminatory conduct, Plaintiff
9 ZHANG has suffered and continues to suffer humiliation, emotional distress, and mental pain
10 and anguish, all to her damage in a sum according to proof.

11 49. The above-recited actions and omissions of Defendant HOT POT SAC were done
12 with malice, fraud and oppression, and/or in reckless disregard of Plaintiff's rights under the
13 FEHA, the California Labor Code and California Constitution. Accordingly, Plaintiff ZHANG
14 seeks an award of punitive and exemplary damages against Defendants, and each of them, in an
15 amount of according to proof.

16 50. FEHA further provides that in actions brought under its provisions, that the court,
17 in its discretion, may award to the prevailing party reasonable attorney's fees and costs,
18 including expert witness fees. . . ."

19 **SECOND CAUSE OF ACTION**
20 **UNLAWFUL TIP WITHHOLDING**
 [29 U.S.C. §§ 203, 216]

21 51. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 50, above.

22 52. At all relevant times alleged herein, Defendants and their management engaged in
23 pooling tips received from the Defendant HOT POT SAC's customers.

24 53. At all times relevant herein, Alex Li was the manager of Happy Lamb Hot Pot in
25 Sacramento. ("Manager Li"). Manager Li was the highest-ranking employee at the restaurant.

1 Plaintiff ZHANG and the aggrieved employees, including each of the other named Plaintiffs,
2 reported to Manager Li.

3 54. Among other things, Manager Li had the authority to hire and discharge the
4 restaurant's staff. Further, he supervised, directed, and controlled the acts of the restaurant's
5 employees, including Plaintiffs.

6 55. Plaintiffs are informed and believe and allege thereon that Defendants'
7 management wrongfully withheld a portion of the tips to which Plaintiff ZHANG and the
8 aggrieved employees, including each of the other named Plaintiffs, were entitled.

9 56. 29 U.S.C. 203 (m)(2)(b) prohibits an employer from keeping "tips received by
10 its employees for any purposes, including allowing managers or supervisors to keep any portion
11 of employees' tips, regardless of whether or not the employer takes a tip credit."

12 57. At all times alleged herein, Manager Li received a portion of the tip pool, in
13 violation of 29 U.S.C. 203(m)(2)(b).

14 58. Any employer who violates 29 U.S.C. 203 (m)(2)(b) is liable to
15 the employee or employees affected in the amount of the sum of any tip credit taken by
16 the employer and all such tips unlawfully kept by the employer, and in an additional equal
17 amount as liquidated damages.
18

19 59. Plaintiffs were required to retain an attorney to bring this action and is entitled to
20 an award of reasonable attorney's fees pursuant to 29 U.S.C. 216(b).
21

22 **THIRD CAUSE OF ACTION**
23 **NON-PAYMENT OF WAGES**
(Cal. Labor Code §201)

24 60. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 59, above.

25 61. Throughout their employment, Defendants required Plaintiff ZHANG, all other
aggrieved employees, including each of the other Plaintiffs, to work "Off-the-Clock Hours."

1 62. The Off-the-Clock Hours worked by these employees, as described in
2 paragraph 26, above, was compensable work time.

3 63. As of the date of the filing of this Complaint for Damages, Defendants have failed
4 to pay Plaintiff ZHANG, and all other aggrieved employees, including each of the other
5 Plaintiffs, for the time they worked Off-the-Clock.

6 64. Defendants' failure to pay these employees the Off-the-Clock hours worked by
7 these employees violated Cal. Labor Code §§ 201 and 1197, and was therefore unlawful.

8 65. Pursuant to California Labor Code §§ 201 and 218.5, Plaintiffs, and each of them,
9 request judgment against Defendants, and each of them, for all unpaid wages owing to them in
10 an amount according to proof at the time of trial.

11 66. As a result of filing the instant civil lawsuit, Plaintiffs have incurred and will
12 continue to incur attorney's fees. Pursuant to California Labor Code § 218.5, Plaintiffs request
13 an award of reasonable attorney's fees and costs in connection with the prosecution of this civil
14 action for non-payment of wages.

15 67. Pursuant to California Labor Code § 218.6, Plaintiffs request an award of pre-
16 judgment interest on all unpaid wages to which Plaintiffs is entitled.

17
18 **FOURTH CAUSE OF ACTION**
19 **MINIMUM WAGE VIOLATIONS**
20 **[CAL. LABOR CODE §1194, IWC Order 5-2001]**

21 68. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 68, above.

22 69. Pursuant to Labor Code § 1194, Industrial Welfare Commission ("IWC") Order
23 No. 5-2001, and Cal. Code Regs. tit. 8 § 11050, subd. 4., Defendants, and each of them, were
24 required to pay Plaintiff ZHANG and all other aggrieved employees, including each of the other
25 Plaintiffs, at the prevailing California legal minimum wage for all regular hours worked.

1 70. Throughout their employment at HOT POT SAC, Defendants, and each of them,
2 paid Plaintiff ZHANG and all other aggrieved employees, including each of the other Plaintiffs,
3 less than the prevailing California legal minimum wage for the State of California for their Off-
4 the Clock Hours worked.

5 71. Pursuant to California Labor Code §§ 202 and 1194, Plaintiffs request that the
6 Court award them the unpaid balance of wages owed, interest thereon, reasonable attorney's
7 fees, and costs incurred by them in this Action.

8 72. Pursuant to Labor Code § 1194.2, Plaintiffs request the Court to award Plaintiff
9 Liquidated Damages against Defendants, and each of them, in an amount equal to the wages
10 unlawfully unpaid and interest thereon.

11
12 **FIFTH CAUSE OF ACTION**
13 **FAILURE TO PAY OVERTIME (at time and one-half and double-time)**
14 **[LABOR CODE § 510, IWC Order 5-2001]**
15 **(AGAINST ALL DEFENDANTS)**

16 73. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 72, above.

17 74. At all times alleged herein, the job responsibilities of Plaintiff ZHANG and all
18 other aggrieved employees, including each of the other Plaintiffs, rendered them non-exempt
19 employees subject to the wage and hour provisions the California Labor Code and the Industrial
20 Welfare Commission ("IWC") Order No. 5-2001.

21 75. Pursuant to IWC Order No. 5-2001 and California Labor Code Section 510,
22 Defendants were required to pay these employees at their regular hourly rates for the first eight
23 (8) hours they worked in the first five days of every week, one-and-one half times their regular
24 hourly rate for all hours they worked in excess of eight (8) hours per day (or forty (40) hours per
25 week), and two times their regular hourly rates for all hours worked in excess of eight (8) hours
on the seventh consecutive day of the work week.

1 76. Plaintiff ZHANG and all other aggrieved employees, including each of the other
2 Plaintiffs, occasionally worked over eight (8) hours per day and over forty (40) hours per week,
3 but Defendants paid them less than the amount to which they were entitled pursuant in violation
4 of IWC Order No. 5-2001 and California Labor Code § 510. Plaintiffs herein request the Court
5 to award all unpaid overtime wages owing to them.

6 77. Pursuant to Labor Code §§218.6 and 1194, Plaintiffs request that the Court award
7 them reasonable attorney's fees and costs incurred by them in this action as well as prejudgment
8 interest.

9
10 **SIXTH CAUSE OF ACTION**
11 **UNFAIR TRADE PRACTICES**
 [BUSINESS & PROFESSIONS CODE § 17203]

12 78. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 77, above.

13 79. At all relevant times alleged herein, Defendants and their management engaged in
14 pooling tips received from the Defendant HOT POT SAC's customers. Manager Alex Li
15 received a portion of the tip pool, in violation of Cal. Labor Code § 351.

16 80. At all times relevant herein, Manager Li had the authority to hire or discharge any
17 employee or supervise, direct, or control the acts of employees.

18 81. Plaintiffs are informed and believe and allege thereon that Defendants and their
19 agents wrongfully withheld a portion of the tips to which Plaintiff ZHANG and all other
20 aggrieved employees, including each of the other Plaintiffs, were entitled.

21 82. This practice of allowing managers to share tips with the restaurant's employees
22 allowed Defendants to pay their managers a lower wage. In so doing, Defendants gained a
23 competitive advantage over other restaurant employers with whom Defendants were in
24 competition and who did not engage in the above-described tip pooling, which was in violation
25 of California Law.

1 83. As set forth herein, Defendants failed to pay Plaintiff ZHANG and all other
2 aggrieved employees, including each of the other Plaintiffs, for the Off-the-Clock Hours that had
3 worked. Many of these unpaid hours worked included overtime hours.

4 84. The failure to pay these employees for the Off-the-Clock Hours was in violation
5 of Cal. Labor Code §§ 201, 550, 558 and 1197, and was therefore unlawful.

6 85. Defendants, and each of their practices of (1) tip pooling with management's
7 involvement and (2) non-payment of Off-the-Clock Hours, and (3) altering time records and
8 understating hours worked on Plaintiffs' earnings statement, as alleged herein, constituted unfair,
9 unlawful, and fraudulent business acts and practices in violation of California Business &
10 Professions Code § 17200 ("B&P §17200") and California Labor Code § 351 and 29 U.S.C. 203
11 (m)(2)(b).
12

13 86. As a proximate result of Defendants' violations, Plaintiffs have sustained
14 substantial losses in tips, among other losses, in excess of \$25,000.

15 87. Plaintiffs seek restitution for their portion of tips improperly received by
16 Defendants and/or their management personnel as well as their unpaid wages, as a result of
17 Defendants' unlawful and unfair conduct pursuant to California Business & Professions Code
18 §17203.
19

20 **SEVENTH CAUSE OF ACTION**
21 **REST PERIOD VIOLATIONS**
22 **[LABOR CODE §226.7, IWC ORDER 5-2001]**

23 88. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 87, above.

24 89. At all relevant times herein, Industrial Wage Commission Order No. 5-2001,
25 which applies to Plaintiffs' employment by Defendants, provides that employees are entitled to a
ten-minute rest period for every 4 hours of worked performed, and each rest period provided,
insofar as practicable, shall be in the middle of each work period. If an employer fails to provide

1 the compliant ten-minute rest period, the employer is required to pay the employee one hour of
2 regular pay for each day the rest period was not provided.

3 90. At all relevant times herein, Defendants, and each of them, either failed to
4 regularly authorize a regular rest period for Plaintiff ZHANG, and all other aggrieved
5 employees, including each of the other Plaintiffs, or failed to provide a rest period at or near the
6 middle of their shifts. For each of the days Plaintiffs worked for Defendants, Plaintiffs were
7 denied rest periods during the morning and afternoon shifts.

8 91. Defendants', and each of their, ongoing failure to provide Plaintiffs with regular
9 rest periods, as required by Industrial Wage Order 5-2001, violates the provisions of the Labor
10 Code §226.7, and is therefore unlawful.

11 92. Pursuant to Cal. Labor Code § 226.7(b), Plaintiffs request that the Court award
12 one hour of regular pay at Plaintiffs' regular hourly rate of compensation for each day
13 Defendants failed to provide Plaintiffs with a compliant rest period.

14
15 **EIGHTH CAUSE OF ACTION**
16 **MEAL PERIOD VIOLATIONS**
[LABOR CODE §226.7, IWC ORDER 5-2001]

17 93. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 92, above.

18 94. At all relevant times herein, Industrial Wage Commission Order No. 5-2001,
19 which applies to Plaintiffs' employment with Defendants, provides that employees are entitled to
20 a thirty-minute meal period for every 5 hours of worked performed. If an employer fails to
21 provide the thirty-minute meal period before the expiration of the 5-hour work shift, the
22 employer is required to pay the employee one hour of regular pay for each day the meal period
23 was not provided ("Premium Pay").

24 95. At all relevant times herein, Defendants, and each of them, never authorized a
25 regular off duty meal periods when Plaintiff ZHANG and all other aggrieved employees,

1 including each of the other Plaintiffs, worked the dinner and weekend shifts, which exceeded 5
2 hours in length. For each of the days, these employees were denied legally compliant meal
3 periods during the afternoon and weekend shifts.

4 96. Defendants' failure to provide these employees with regular, code-complaint meal
5 periods, as required by Industrial Wage Order 5-2001, violates the provisions of the Labor Code
6 §226.7, and is therefore unlawful.

7 97. Pursuant to Labor Code § 226.7(b), Plaintiffs request that the Court award one
8 hour of regular pay at Plaintiffs' regular hourly rated of compensation for each day Defendants'
9 failed to provide Plaintiffs with a code-compliant meal period.
10

11 **NINTH CAUSE OF ACTION**
12 **FAILURE TO PAY SPLIT SHIFT PREMIUMS**
13 **[IWC ORDER 5-2001, § 4(C)]**

14 98. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 97, above.

15 99. At all relevant times mentioned herein, Industrial Wage Commission Order No.
16 5-2001 provides that employees are entitled to a wage premium equal to one hour of regular
17 wages for each day an employee works a split shift.

18 100. At all times relevant herein, Plaintiff ZHANG and all other aggrieved employees,
19 including each of the other Plaintiffs, regularly worked split shifts at HOT POT SAC. These two
20 shifts were separated by a 90-minute or longer uncompensated break.

21 101. At all relevant times herein, Defendants, and each of them, never paid Plaintiffs
22 the one-hour split shift premium in connection with the split shifts they worked.

23 102. Defendants, and each of their, repeated failure to provide Plaintiff ZHANG, all
24 other aggrieved employees, including each of the other Plaintiffs, with split shift premiums
25 violates IWC Order 5-2001, and is therefore unlawful.

1 103. Pursuant to IWC Order 5-2001, Plaintiffs request that the Court award one hour of
2 regular pay at Plaintiffs' regular rate of compensation for each day Defendants failed to provide
3 Plaintiffs with a split shift premium.
4

5 **TENTH CAUSE OF ACTION**
6 **VIOLATION OF LABOR CODE § 203**
7 **(Waiting Time Penalties)**

8 104. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 103, above.

9 105. On the days that employment terminated for Plaintiff ZHANG and the other
10 aggrieved employees, including the other Plaintiffs, employment with Defendants terminated,
11 Defendants failed to pay these employees all of the wages and wage premiums they had earned.
12 Defendants' refusal to pay the wages and wage premiums to which these employees were
13 entitled was willful in that Defendants, and each of them, were aware that they were legally
14 obligated to pay the wage premiums and wages, but adopted measures to conceal from their
15 employees the fact that they were entitled to receive wages and wage premiums. This failure to
16 pay Plaintiffs wages and wage premiums at the time of their respective terminations was in
17 violation of California Labor Code § 203.

18 106. Pursuant to California Labor Code § 203, Defendants, and each of them, are
19 required to pay a waiting penalty up to thirty (30) days at Plaintiffs' final pay rates in an amount
20 according to proof.

21 **ELEVENTH CAUSE OF ACTION**
22 **UNREIMBURSED EXPENSES**
23 **[IN VIOLATION OF CAL. LABOR CODE SECTION 2802]**

24 107. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 106, above.

25 108. Cal. Labor Code Section 2802 requires employers to reimburse their employees
for all expenses incurred during the course and scope of their employees' employment.

1 109. Cal. Labor Code Section 2810.5 further requires employers to provide written
2 notice to their employees of their right to reimbursement.

3 110. Defendants, and each of them, failed to provide any such written notice to
4 Plaintiff ZHANG and the other aggrieved employments, including the other named Plaintiffs.

5 111. Throughout their employment, Plaintiffs used their own vehicles for work
6 purposes. They were required to drive their own vehicles to purchase supplies and/or food for
7 the restaurant. Defendants never reimbursed Plaintiffs for the expenses, including mileage,
8 associated with driving their own vehicles.

9 112. Pursuant to Section 2802(a) of the Cal. Labor Code, Plaintiffs seek recovery of all
10 expenses incurred.

11 113. Pursuant to Sections 2802(b) and (c) of the Cal. Labor Code, Plaintiffs seek
12 prejudgment interest and attorney's fees on all unreimbursed expenses.

13
14 **TWELTH CAUSE OF ACTION**
15 **RECORDKEEPING VIOLATIONS**
16 **[CAL. LABOR CODE § 226(e)]**

17 114. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 114, above.

18 115. During each pay period Plaintiff ZHANG and the other aggrieved employees,
19 including the other Plaintiffs, worked for Defendants, Defendants, and each of them, failed to
20 provide, on a bimonthly basis, with an itemized statement of earnings that accurately stated their
21 regular hours worked, overtime hours worked and total hours worked.

22 116. Defendants' and each of their, failure to provide proper itemized statements was
23 knowing and intentional and in violation of California Labor Code §226(a).

24 117. As a result of Defendants' record keeping violations, Plaintiffs request the Court
25 order Defendants to pay, pursuant to California Labor Code §226(e), the sum of \$4,000 for
Defendants' repeated violations of California Labor Code §226(e).

1 118. Plaintiff was required to retain an attorney to bring this action and is entitled to an
2 award of reasonable attorney's fees pursuant to California Labor Code § 226(e).

3 **THIRTEENTH CAUSE OF ACTION**
4 **CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT**
5 **[CAL. LABOR CODE § 2698 *et. sec*]**

6 119. Plaintiffs incorporate by reference and reallege Paragraphs 1 through 118, above.

7 120. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiff ZHANG to
8 recover civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
9 section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 203, 204, 226(a),
10 226.7, 510, 512(a), 1174(d), 1194, 1197, 1198, and 2802. Labor Code section 2699.3(c) permits
11 aggrieved employees, including Plaintiffs, to recover civil penalties for violations of those Labor
12 Code sections not found in section 2699.5, including sections 246 and 1182.12.

13 120. Defendants' conduct, as alleged herein, violates numerous sections of the
14 California Labor Code, including, but not limited to, the following:

- 15 a. Violation of Labor Code section 351 for Defendants' taking tips intended for
16 Plaintiff ZHANG and other Aggrieved Employees and sharing said gratuities with
17 their agents, as set forth above;
- 18 b. Violation of Labor Code sections 510, 1198, and the applicable IWC wage order
19 for Defendants' failure to compensate Plaintiff ZHANG and other Aggrieved
20 Employees with all required overtime pay and failure to properly calculate the
21 overtime rates paid to other Aggrieved Employees as set forth above;
- 22 c. Violation of Labor Code sections 1182.12, 1194, 1197, 1198, and the applicable
23 IWC wage order for Defendants' failure to compensate Plaintiff ZHANG and
24 other Aggrieved Employees with at least minimum wages for all hours worked as
25 set forth above;

- 1 d. Violation of Labor Code sections 226.7, 512(a), 1198, and the applicable IWC
2 wage order for Defendants' failure to provide Plaintiff ZHANG and other
3 Aggrieved Employees with meal periods, as set forth above;
- 4 e. Violation of Labor Code sections 226.7, 1198, and the applicable IWC wage
5 order for Defendants' failure to authorize and permit Plaintiff ZHANG and other
6 Aggrieved Employees to take rest periods, as set forth above;
- 7 f. Violation of Labor Code sections 226(a), 1198, and the applicable IWC wage
8 order for failure to provide accurate and complete wage statements to Plaintiff
9 ZHANG and other Aggrieved Employees, as set forth above;
- 10 g. Violation of Labor Code sections 1174(d), 1198, and the applicable IWC wage
11 order for failure to maintain payroll records as set forth above;
- 12 h. Violation of Labor Code section 204 for failure to pay Plaintiff ZHANG and other
13 Aggrieved Employees all earned wages during employment as set forth above;
- 14 i. Violation of Labor Code sections 201, 202, and 203 for failure to pay Plaintiff
15 ZHANG and other Aggrieved Employees all earned wages upon termination as
16 set forth above;
- 17 j. Violation of Labor Code section 246 for failure to provide written notice of paid
18 sick leave available, or paid time off, as set forth above;
- 19 k. Violation of Labor Code section 1198 and the applicable IWC wage order for
20 failure to pay split-shift premiums when Plaintiff ZHANG and the other
21 Aggrieved Employees returned to work for an additional shift in the same day,
22 after having been clocked out for more than an hour, as set forth above; and
23
24
25

1. Violation of Labor Code section 2802 for failure to reimburse Plaintiff and other Aggrieved Employees for all business expense necessarily incurred, as set forth above.

PRAYER

WHEREFORE, Plaintiffs pray for judgment on their Complaint against Defendants, jointly and severally, as follows:

1. For general damages, according to proof;
2. For special damages, according to proof;
3. For compensatory damages, plus interest thereon;
4. For punitive damages;
5. For attorney's fees and costs arising from Plaintiffs' efforts to recover the converted tips, unpaid wages, and, as to Plaintiff ZHANG only, her claim of pregnancy discrimination;
6. For undistributed tips and liquidated damages pursuant to 29 U.S.C. §§ 203 and 216, plus reasonable attorney's fees;
7. For restitution of undistributed tips and unpaid wages pursuant to California Business & Professions Code § 17203, plus pre-judgment interest, according to proof;
8. For wage premiums for rest period violations pursuant to California Labor Code §§ 226.7 and 512, plus pre-judgment interest and attorney's fees, according to proof;
9. For wage premiums for meal period violations pursuant to California Labor Code §§ 226.7 and 512, plus pre-judgment interest and attorney's fees, according to proof;
10. For wage premiums for split shifts worked pursuant to IWC § 4(C), plus pre-judgment interest, and attorney's fees, according to proof;

- 1 11. For Plaintiffs unpaid wages (regular and overtime) and statutory attorney's fees
2 pursuant to California Labor Code Sections 201, 218.5, 558 and 1197;
3 12. For Waiting Time Penalties, pursuant to Cal. Labor Code § 203, according to proof.
4 13. For unreimbursed expenses, interest thereon and reasonable attorney's fees;
5 14. For penalties arising under Labor Code §226(e) for non-compliant earnings
6 statements;
7 15. For civil penalties as alleged in detail herein;
8 16. For costs of suit; and
9 17. For such other and further relief as the Court deems to be equitable, just and proper.
10

11 Dated this 25th day of September, 2025

12 BLUER & BLUER, LLP

13 *Mark Bluer*
14

15 Mark J. Bluer, Attorneys for
16 Plaintiffs MINYING ZHANG,
17 CHAOJIE ZHOU, QITENG MA,
18 ZHENHUA XU, CHUPING CHEN,
19 and ZHIGUANG LI
20
21
22
23
24
25

EXHIBIT ‘C’

O'HAGAN MEYER

DEREK S. SACHS, SB# 253990

E-Mail: DSachs@ohaganmeyer.com

1201 K Street, Suite 1960

Sacramento, California 95814

Ph: 916.884.0751

MICHAEL S. METTA, SB# 354741

E-Mail: Mmetta@ohaganmeyer.com

140 Kendrick Street, Bldg. C

Needham, MA 02494

Ph: 617.843.6817

Attorneys for Defendant Hot Pot Sacramento, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

MINYING ZHANG, CHAOJIE ZHOU,
QITENG MA, ZHENHUA XU, CHUPING
CHEN, and ZHIGUANG LI,

Plaintiff,

vs.

HOT POT SACRAMENTO 1, LLC; and
DOES 1 - 25,

Defendants.

Case No. 25CV023087

PAGA SETTLEMENT AGREEMENT

Date:

Time:

Dept.:

RESERVATION NO.: A-23087-001

Action Filed:

September 29, 2025

Trial Date:

TBD

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Minying Zhang, ("Plaintiff"), on behalf of all aggrieved parties and Defendant Hot Pot Sacramento 1, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned Minying Zhang, et. al., Plaintiffs v. Hot Pot Sacramento 1, LLC and Does 1-25 ("Zhang v. Hot Pot Sacramento") initiated on September 29, 2025 and pending in the Superior Court of the State of California, County of Sacramento as Case No. 25-CV-023087.

1.2 "Administrator" means Phoenix Class Action Administrative Solutions, 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 Preliminary Approval of the Settlement.

1.4 "Aggrieved Employee" means those non-exempt Front of House staff (food service cashiers, servers and bussers) working in the nineteen (19) pay periods during the PAGA Period at the Happy Lamb Hot Pot restaurant in Sacramento, California.

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.

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 California, County of Sacramento.

1 **1.8** "PAGA Counsel" means Mark J. Bluer, of Bluer & Bluer, LLP, the attorney representing the
2 Plaintiff in the Action.

3 **1.9** "Defendant" means named Defendant Hot Pot Sacramento 1, LLC.

4 **1.10** "Defense Counsel" means Derek Sachs and Michael Metta of O'Hagan Meyer, LLP.

5 **1.11** "Effective Date" means the date by when both of the following have occurred: (a) the Court
6 enters a Judgment on its Order Granting Final Approval of the PAGA Settlement; and (b) the
7 Judgment is final. The Judgment is final as of the day the Court enters Judgment.

8 **1.12** "Final Approval" means the Court's order granting final approval of the PAGA Settlement.

9 **1.13** "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the
10 PAGA Settlement.

11 **1.14** "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of
12 the PAGA Settlement.

13 **1.15** "Gross Settlement Amount" means \$50,000.00 which is the total amount Defendant agrees to
14 pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA
15 Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Litigation
16 Expenses, and the Administrator's Expenses.

17 **1.16** "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of Aggrieved
18 Employees' share of the PAGA Penalties calculated according to the number of Pay Periods
19 worked during the PAGA Period.

20 **1.17** "Judgment" means the judgment entered by the Court based upon the Final Approval.

21 **1.18** "LWDA" means the California Labor and Workforce Development Agency, the agency
22 entitled, under PAGA.

23 **1.19** "LWDA PAGA Payment" means the share of the PAGA Penalties paid to the LWDA under
24 Labor Code section 2699, subdivision (m).

25 **1.20** "Net Settlement Amount" means the Gross Settlement Amount, less the following payments
26 in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment,
27 PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the
28

Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.21 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.22 "PAGA Period" means the period from October 19, 2023 and ending on July 21, 2024.

1.23 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 *et seq.*).

1.24 "PAGA Notice" means Plaintiff's October 18, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.25 "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 [65%] to LWDA in settlement of PAGA claims.

1.26 "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.

1.27 "Plaintiff" means Minying Zhang the named plaintiff in the Action.

1.28 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.29 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.30 "Released PAGA Claims" means the claims being released as described in Paragraph 3.2 below.

1.31 "Released Parties" means Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, and affiliates.

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

2. RECITALS

2.1 On September 29, 2025, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Defendant for, among other things, non-payment of wages under 29 U.S.C. §§ 203, 216, non-payment of wages under Labor Code § 201, minimum wage violations

under IWC Order 5-2001 and Labor Code § 1194, failure to pay overtime under IWC Order 5-2001 and Labor Code § 510, unfair trade practices under Business & Professions Code § 17203, rest period violations under IWC Order 5-2001 and Labor Code § 226.7, meal period violations under IWC Order 5-2001 and Labor Code § 226.7, failure to pay split shift premiums under ICW Order 5-2001, § 4(C), waiting time penalties under Labor Code § 203, unreimbursed expenses under Labor Code § 2802, records keeping violations under Labor Code § 226(e), and PAGA Civil Penalties under Labor Code §2698 et. seq. The Complaint is the operative complaint in the Action (the “Operative Complaint.”)] Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.3 On April 14, 2026, the Parties concluded long-standing negotiations with a settlement which led to this Agreement to settle the Action.

2.4 Prior to concluding the Settlement, Plaintiff obtained, through informal discovery, sufficient information including, personnel files, paystubs dates of employment, hourly rates, shift details. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56.

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

3. RELEASES OF CLAIMS.

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

3.1 Plaintiff’s Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the PAGA

1 Period, including, but not limited to all PAGA claims that were, or reasonably could have been,
2 alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice ("Plaintiff's
3 Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement,
4 or to any claims for vested benefits, unemployment benefits, disability benefits, social security
5 benefits, workers' compensation benefits that arose at any time, or based on occurrences outside
6 the PAGA Period. Plaintiff acknowledges that she may discover facts or law different from, or in
7 addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless,
8 that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different
9 or additional facts or Plaintiff's discovery of them. Excluded from this Release are the separately
10 settled FEHA claim of Plaintiff Minying Zhang, and all other non-PAGA claims contained in the
11 Complaint.

12 **3.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542.** For purposes of Plaintiff's
13 Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of
14 section 1542 of the Civil Code, which reads:

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

19 **3.2 Release by Aggrieved Employees (PAGA Release):** All Aggrieved Employees are deemed
20 to release, on behalf of themselves and their respective former and present representatives, agents,
21 attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for
22 PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA
23 Period facts contained in the Operative Complaint and/or the PAGA Notice.

24 **3.3 Release by PAGA Counsel:** PAGA Counsel releases on behalf of his present and former
25 attorneys, employees, agents, successors and assigns the Released Parties from all claims for
26 PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts
27 stated in the Operative Complaint and the PAGA Notice.
28

4. MONETARY TERMS.

4.1 Gross Settlement Amount. Defendant promises to pay \$50,000 and no more as the Gross Settlement Amount in connection with this settlement. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring the Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

4.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:

4.2.1 To Plaintiff: There is no PAGA Representative Service Payment associated with this settlement.

4.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment and a PAGA Counsel Litigation Expenses Payment of not more than \$12,500.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or PAGA Counsel will file a motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment no later than [16 court] days prior to the Final Approval Hearing. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion 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.

4.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$2,500.00, 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 \$2,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

4.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$35,000.00 to be paid from the Gross Settlement Amount, with [65%] (\$22,750.00) allocated to the LWDA PAGA Payment and [35%] (\$12,250.00) allocated to the Individual PAGA Payments.

4.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' share of PAGA Penalties (\$12,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

5. SETTLEMENT FUNDING AND PAYMENTS.

5.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant has identified 18 Aggrieved Employees who worked a total of 253 PAGA Pay Periods.

5.2 Aggrieved Employee Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Aggrieved Employees Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employees Data in confidence, use the Aggrieved Employees Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employees Data to Administrator employees who need access to the Aggrieved Employees Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employees Data omitted Aggrieved Employees identifying information and to provide corrected or updated Aggrieved Employees Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employees Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to

1 reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employees
2 Data.

3 **5.3 Funding of Gross Settlement Amount.** Defendant shall fully fund the Gross Settlement
4 Amount to the Administrator no later than 15 days after the Effective Date.

5 **5.4 Payments from the Gross Settlement Amount.** Within 14 days after Defendant funds
6 Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the
7 LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees
8 Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA
9 Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede
10 disbursement of Individual PAGA Payments.

11 **5.4.1** The Administrator will issue checks for the Individual PAGA Payments, along with a cover
12 letter ("Cover Letter") agreed to by the Parties and approved by the Court in substantially the form
13 attached hereto as "Exhibit A," and send them to the Aggrieved Employees via First Class U.S.
14 Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180
15 days after the date of mailing) when the check will be voided. The Administrator will cancel all
16 checks not cashed by the void date. The Administrator will send checks for Individual PAGA
17 Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Administrator
18 must update the recipients' mailing addresses using the National Change of Address Database.

19 **5.4.2** The Administrator must conduct an Aggrieved Employees Address Search for all other
20 Aggrieved Employees whose checks are returned undelivered without United States Postal Service
21 ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must
22 re-mail checks to the USPS forwarding address provided or to an address ascertained through the
23 Aggrieved Employees Address Search. The Administrator need not take further steps to deliver
24 checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The
25 Administrator shall promptly send a replacement check to any Aggrieved Employees whose
26 original check was lost or misplaced, requested by the Aggrieved Employees prior to the void
27 date.

28 **5.4.3** For any Aggrieved Employees whose Individual PAGA Payment check is uncashed and

1 cancelled after the void date, the Administrator shall transmit the funds represented by such
2 checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved
3 Employees thereby leaving no "unpaid residue" subject to the requirements of Code of Civil
4 Procedure section 384, subdivision (b).

5 **5.4.4** The payment of Individual PAGA Payments shall not obligate Defendant to confer any
6 additional benefits or make any additional payments to Aggrieved Employees (such as 401(k)
7 contributions or bonuses) beyond those specified in this Agreement.

8 **6. MOTION FOR SETTLEMENT APPROVAL.**

9 The Parties agree to jointly prepare and file a motion for PAGA settlement approval
10 ("Motion for Settlement Approval") that complies with the Court's current checklist for settlement
11 approvals.

12 **6.1 Plaintiff's Responsibilities.** Plaintiff will prepare and deliver to Defense Counsel all
13 documents necessary for obtaining approval of this Settlement under Labor Code section 2699,
14 subdivision (f)(2)) including (i) a draft of the notice, and memorandum in support, of the Motion
15 for Settlement Approval that includes an analysis of the Settlement; (ii) a draft proposed Order
16 Granting Approval of PAGA Settlement; (iii) a draft proposed PAGA Cover Letter; (iv) a signed
17 declaration from the Administrator attaching its "not to exceed" bid for administering the
18 Settlement and attesting to its willingness to serve; competency; operative procedures for
19 protecting the security of Aggrieved Employees Data; amounts of insurance coverage for any data
20 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential
21 conflicts of interest with Aggrieved Employees; and the nature and extent of any financial
22 relationship with Plaintiff, PAGA Counsel or Defense Counsel; (v) a signed declaration from
23 Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any
24 actual or potential conflicts of interest with Aggrieved Employees, [and/or] the Administrator; (vi)
25 a signed declaration from PAGA Counsel firm attesting to its competency to represent the
26 Aggrieved Employees; its timely transmission to the LWDA of all necessary PAGA documents
27 (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, §
28 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) a redlined version of the

1 parties' Agreement showing all modifications made ready for filing with the Court; and (viii) all
2 facts relevant to any actual or potential conflict of interest with Aggrieved Employees, and the
3 Administrator. In their Declarations, Plaintiff and PAGA Counsel Declaration shall aver that they
4 are not aware of any other pending matter or action asserting claims that will be extinguished or
5 adversely affected by the Settlement.

6 **6.2 Responsibilities of Counsel.** PAGA Counsel and Defense Counsel are jointly responsible for
7 expeditiously finalizing and filing the Motion for Settlement Approval no later than 30 days after
8 the full execution of this Agreement; obtaining a prompt hearing date for the Motion for
9 Settlement Approval; and for appearing in Court to advocate in favor of the Motion for Settlement
10 Approval. PAGA Counsel is responsible for delivering the Court's Approval to the Administrator.
11 PAGA Counsel's supporting declaration must attest to compliance with Sacramento Superior
12 Court Local Rule 2.99.05 and review of the Court's settlement checklist.

13 **6.3 Duty to Cooperate.** If the Parties disagree on any aspect of the proposed Motion for
14 Settlement Approval and/or the supporting declarations and documents, PAGA Counsel and
15 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or
16 by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
17 Preliminary Approval or conditions Preliminary Approval on any material change to this
18 Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of
19 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
20 otherwise satisfy the Court's concerns.

21 **7. SETTLEMENT ADMINISTRATION.**

22 **7.1 Selection of Administrator.** The Parties have jointly selected Phoenix Class Action
23 Administration Solutions to serve as the PAGA Administrator and verified that, as a condition of
24 appointment, Phoenix Class Action Administration Solutions agrees to be bound by this
25 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for
26 payment of Administration Expenses. The Parties and their Counsel represent that they have no
27 interest or relationship, financial or otherwise, with the Administrator other than a professional
28 relationship arising out of prior experiences administering settlements.

1 **7.2 Employer Identification Number.** The Administrator shall have and use its own Employer
2 Identification Number for purposes of calculating payroll tax withholdings and providing reports
3 state and federal tax authorities.

4 **7.3 Qualified Settlement Fund.** The Administrator shall establish a settlement fund that meets the
5 requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section
6 468B-1.

7 **7.4 Administrator Duties.** The Administrator has a duty to perform or observe all tasks to be
8 performed or observed by the Administrator contained in this Agreement or otherwise.

9 **8. CONTINUING JURISDICTION AND WAIVER OF RIGHT TO APPEAL**

10 **8.1 Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the
11 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)
12 enforcing this Agreement and/ or Judgment, (ii) addressing settlement administration matters, and
13 (iii) addressing such post-Judgment matters as are permitted by law.

14 **8.2 Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and
15 conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA
16 Counsel Litigation Expenses Payment set forth in this Settlement, the Parties and their respective
17 counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and
18 appellate proceedings, motions to vacate judgment, motions for new trial, extraordinary writs, and
19 appeals. The waiver of appeal does not include any waiver of the right to oppose such motions,
20 writs, or appeals. If any third party or objector appeals the Judgment, the Parties' obligations to
21 perform under this Agreement will be suspended until such time as the appeal is finally resolved
22 and the Judgment becomes final, except as to matters that do not affect the allocation or amount of
23 the Net PAGA Settlement Amount.

24 **9. ADDITIONAL PROVISIONS.**

25 **9.1 No Admission of Liability or Representative Manageability for Other Purposes.** This
26 Agreement represents a compromise and settlement of highly disputed claims. Nothing in this
27 Agreement is intended or should be construed as an admission by Defendant that any of the
28 allegations in the Operative Complaint have merit or that Defendant has any liability for any

1 claims asserted; nor should it be intended or construed as an admission by Plaintiff that
2 Defendant's defenses in the Action have merit. The Parties agree that representative treatment is
3 for purposes of this Settlement only. If for any reason the Court does not approve this Settlement,
4 Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the
5 right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to
6 settle the Action will have no bearing on, and will not be admissible in connection with, any
7 litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

8 **9.2 Confidentiality Prior to Preliminary Approval.** Plaintiff, PAGA Counsel, Defendant and
9 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is
10 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
11 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or
12 indirectly, specifically or generally, to any person, corporation, association, government agency or
13 other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be
14 instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent
15 necessary to report income to appropriate taxing authorities; (4) in response to a court order or
16 subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
17 agency. Each Party agrees to immediately notify each other Party of any judicial or agency order,
18 inquiry, or subpoena seeking such information. Plaintiff, PAGA Counsel, Defendant and Defense
19 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
20 communication, before the filing of the Motion for Preliminary Approval, with any third party
21 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
22 "the matter was resolved," or words to that effect. This paragraph does not restrict PAGA
23 Counsel's communications with Aggrieved Employees in accordance with PAGA Counsel's
24 ethical obligations owed to Aggrieved Employees.

25 **9.3 Integrated Agreement.** Upon execution by all Parties and their counsel, this Agreement
26 together with its attached exhibits shall constitute the entire agreement between the Parties relating
27 to the Settlement, superseding any and all oral representations, warranties, covenants or
28 inducements made to or by any Party.

1 **9.4 Attorney Authorization.** PAGA Counsel and Defense Counsel separately warrant and
2 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
3 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
4 its terms, and to execute any other documents reasonably required to effectuate the terms of this
5 Agreement including any amendments to this Agreement.

6 **9.5 Cooperation.** The Parties and their counsel will cooperate with each other and use their best
7 efforts, in good faith, to implement the Settlement by, among other things, modifying the
8 Settlement Agreement, submitting supplemental evidence and supplementing points and
9 authorities as requested by the Court. In the event the Parties are unable to agree upon the form or
10 content of any document necessary to implement the Settlement, or on any modification of the
11 Agreement that may become necessary to implement the Settlement, the Parties will seek the
12 assistance of a mediator and/or the Court for resolution.

13 **9.6 No Prior Assignments.** The Parties separately represent and warrant that they have not
14 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or
15 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
16 action or right released and discharged by the Party in this Settlement.

17 **9.7 No Tax Advice.** Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are
18 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
19 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
20 10, as amended) or otherwise.

21 **9.8 Modification of Agreement.** This Agreement, and all parts of it, may be amended, modified,
22 changed or waived only by an express written instrument signed by all Parties or their
23 representatives and approved by the Court.

24 **9.9 Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the
25 benefit of, the successors of each of the Parties.

26 **9.10 Applicable Law.** All terms and conditions of this Agreement and its exhibits will be
27 governed by and interpreted according to the internal laws of the State of California, without
28 regard to conflict of law principles.

1 **9.11 Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this
2 Agreement. This Agreement will not be construed against any Party on the basis that the Party was
3 the drafter or participated in the drafting.

4 **9.12 Confidentiality.** To the extent permitted by law, all agreements made and orders entered
5 during the Action and in this Agreement relating to the confidentiality of information shall survive
6 the execution of this Agreement.

7 **9.13 Use and Return of Aggrieved Employee Data.** Information provided to PAGA Counsel
8 pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data
9 provided to PAGA Counsel by Defendant in connection with the mediation, other settlement
10 negotiations, or in connection with the Settlement, may be used only with respect to this
11 Settlement, and no other purpose, and may not be used in any way that violates any existing
12 contractual agreement, statute or California Rules of Court rule. Not later than 60 days after the
13 date when the Court discharges the Administrator's obligation to provide a Declaration confirming
14 the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of
15 Aggrieved Employee Data received from Defendant unless, prior to the Court's discharge of the
16 Administrator's obligation, Defendant makes a written request to PAGA Counsel for the return,
17 rather than the destruction, of Aggrieved Employee Data.

18 **9.14 Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted
19 for convenience of reference only and does not constitute a part of this Agreement.

20 **9.15 Calendar Days.** Unless otherwise noted, all reference to "days" in this Agreement shall be to
21 calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or
22 federal legal holiday, such date or deadline shall be on the first business day thereafter.

23 **9.16 Notice.** All notices, demands or other communications between the Parties in connection
24 with this Agreement will be in writing and deemed to have been duly given as of the third
25 business day after mailing by United States mail, or the day sent by email or messenger, addressed
26 as follows:
27
28

To Plaintiff:

Mark J. Bluer
Bluer & Bluer, LLP
222 Sutter Street, Ste. 600
San Francisco, CA 94108
mbluer@bluerlaw.com

To Defendant:

Jeff Rosin
O'Hagan Meyer
140 Kendrick Street, Bldg. C
Needham, MA 02494
jrosin@ohaganmeyer.com

9.17 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.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Date: 7/9/2026

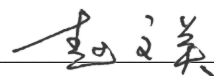
PLAINTIFF:

Minying Zhang

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Defendant: Hot Pot Sacramento 1, LLC

Date: 07/10/2026

By: 

Name: Wenying Zhao

Title: Member

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPROVED AS TO FORM:

BLUER & BLUER, LLP

Mark Bluer

Date: 7/14/26

Mark J. Bluer, SBN 157071
Attorney(s) for Plaintiff

O'HAGAN MEYER, LLP

Michael Metta

Date: July 14, 2026

Michael S. Metta, SBN 354741
Attorney(s) for Defendant

Exhibit A

**This settlement does not release any individual, non-PAGA claims that
you might have against Defendant.**

To: [Aggrieved Employee Name]
[Street Address]
[City, State Zip]

Re: Settlement Payment from Zhang v. Hot Pot Sacramento
Sacramento County Superior Court Case No. 25-CV-023087

Dear [Aggrieved Employee Name]:

Please find enclosed a check in the amount of [amount of payment] (“Individual PAGA
Payment”). This check is your payment from the settlement in the lawsuit entitled [case name],
Sacramento County Superior Court Case No. 25-CV-023087 (“Action”).

The Action was filed on September 29, 2025 by Plaintiff Minying Zhang (“Plaintiff”) against her
employer Defendant Hot Pot Sacramento 1, LLC (“Defendant”). Plaintiff, on behalf of the State of
California, with respect to herself and other alleged aggrieved employees, sought recovery of civil
penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et*
seq. (“PAGA”). Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any
kind associated with Plaintiff’s allegations. The Court did not determine whether any violations
did or did not occur. Rather, a settlement was reached between Plaintiff and Defendant to resolve
Plaintiff’s claims without spending further time, money, and energy on lengthy litigation.

On [approval date], the settlement was approved by the Court. You are receiving a portion of the
settlement because you have been identified as a current or former hourly-paid and/or non-exempt
employee who worked for Defendant in the State of California during the [PAGA period] (the
“PAGA Period”). Your Individual PAGA Payment is based on the total number of pay periods
that you worked for Defendant in California during the PAGA Period. It is considered to be 100%
penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for
paying any and all taxes that may be due as a result of any payment issued to you under the

1 settlement and should consult a tax advisor regarding the tax consequences of such payment.

2
3 Under the settlement, as of [the Effective Date and date Defendant fully funds the Gross
4 Settlement Amount], the Released Parties were released from the Released PAGA Claims.

5 “Released Parties” means Defendant and each of its former and present directors, officers,
6 shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns,
7 subsidiaries, and affiliates. “Released PAGA Claims” means “All Aggrieved Employees are
8 deemed to release, on behalf of themselves and their respective former and present representatives,
9 agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all
10 claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the
11 PAGA Period facts contained in the Operative Complaint and/or the PAGA Notice [including,
12 e.g., any and all claims involving any alleged failure to pay minimum wage; etc.]”

13 The enclosed check is valid for 180 calendar days from the original date of issuance and mailing,
14 and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be
15 canceled, and the funds will be transmitted to the Unclaimed Property Fund.

16 Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant’s counsel
17 to ask questions about the settlement or to ask tax-related questions. If you have any such
18 questions, you may contact [Administrator] at [toll-free phone number].
19
20
21
22
23
24
25
26
27
28

EXHIBIT ‘D’

BLUER & BLUER, LLP

222 Sutter Street, Suite 600
San Francisco, CA 94108

PHONE: 415-989-1281 FAX: 415-358-4306 www.bluerlaw.com

INVOICE

INVOICE NUMBER: 6229

INVOICE DATE: AUGUST 17, 2026

Hot Pot Sacramento, LLC (PAGA)

DATE	TIMEKEEPER	DESCRIPTION	HOURS	RATE	AMOUNT
OCT-08-24	mjb	Initial meeting with Minying regarding PAGA claim (.5); review documentation regarding prior PAGA claims against Hot Pot Sac's parent company (.5); online research regarding prior PAGA claims against parent company (1.0)	2.00	\$500.00	\$1,000.00
OCT-10-24	mjb	Legal research regarding PAGA claims against Hot Pot SAC - new PAGA regulations (1.5); preliminary calculations regarding applicable PAGA period and valuation (2.0)	3.50	\$500.00	\$1,750.00
OCT-16-24	mjb	Draft initial engagement letter regarding PAGA (.5); follow up conversation with Minying Zhang regarding details of engagement (.5)	1.00	\$500.00	\$500.00
OCT-17-24	mjb	Draft and revise PAGA Notice to LWDA	3.50	\$500.00	\$1,750.00
OCT-18-24	mjb	PAGA Notice filing fee	1.00	\$75.00	\$75.00
NOV-11-24	mjb	Draft Tolling Agreement regarding PAGA claims	0.50	\$500.00	\$250.00
SEP-15-25	mjb	Draft and revise PAGA cause of action for Complaint	1.20	\$500.00	\$600.00
OCT-22-25	mjb	Draft email to opposing counsel regarding Plaintiffs' inability to settle individual claims without Hot Pot Sac's presenting an offer to settle PAGA claims (detailed discussion of my view of PAGA claim and evaluation)	1.00	\$500.00	\$500.00
NOV-21-25	mjb	Telephone conversation with opposing counsel and email regarding the need for defendant to make a good faith offer to settle PAGA claims, including PAGA evaluation.	1.00	\$500.00	\$500.00
NOV-21-25	mjb	Complex filing fee	1.00	\$1,000.00	\$1,000.00
JAN-06-26	mjb	Time spent drafting opposition to Petition to Compel Arbitration (as to PAGA action).	0.60	\$500.00	\$300.00
FEB-18-26	mjb	Draft first set of discovery regarding PAGA class	0.50	\$500.00	\$250.00
MAR-05-26	mjb	Draft email to opposing counsel regarding PAGA negotiations	0.50	\$500.00	\$250.00

DATE	TIMEKEEPER	DESCRIPTION	HOURS	RATE	AMOUNT
APR-16-26	mjb	Review local rules regarding requirements for PAGA settlement (.3); exchange emails with opposing counsel regarding need for PAGA settlement administrator (.3)	0.60	\$500.00	\$300.00
MAY-05-26	mjb	Video Conference call with opposing counsel regarding paga settlement issues	0.60	\$500.00	\$300.00
MAY-06-26	mjb	Review and draft revisions to PAGA settlement agreement.	1.00	\$500.00	\$500.00
MAY-20-26	mjb	Contact Phoenix regarding settlement administrator quote	0.30	\$500.00	\$150.00
MAY-21-26	mjb	Review Phoenix settlement administrator quote; forward to opposing counsel	0.30	\$500.00	\$150.00
JUN-09-26	mjb	Review total hours worked and costs; revise 'final' draft of the PAGA settlement agreement.	0.50	\$500.00	\$250.00
JUN-15-26	mjb	Draft and revise motion to approve PAGA settlement	7.50	\$500.00	\$3,750.00
JUN-19-26	mjb	Telephone conversation with Minying regarding details of PAGA Settlement Agreement	0.50	\$500.00	\$250.00
JUL-01-26	mjb	Draft and revise motion to approve PAGA settlement	0.50	\$500.00	\$250.00
JUL-21-26	mjb	Draft and revise declaration in support of motion to approve PAGA settlement	1.00	\$500.00	\$500.00
JUL-31-26	mjb	Fee for filing Motion to approve paga settlement	1.00	\$60.00	\$60.00
AUG-18-26	mjb	Prepare and attend Motion to Approve PAGA Settlement; address anticipated payment issues after Court approves settlement; draft Proposed Order (estimated time)	2.00	\$500.00	\$1,000.00
Total hours for this invoice			30.10		
Total amount of this invoice					\$16,185.00

ACCOUNT INFORMATION

Prior account balance	\$0.00
New charges (including this invoice)	\$16,185.00
Current account balance	\$16,185.00

MESSAGE

Thank You

AMOUNT DUE: \$16,185.00



CASE ASSUMPTIONS

Aggrieved Members	22
Opt Out Rate	N/A
Opt Outs Received	
Total Aggrieved Claimants	22
Subtotal Admin Only	\$2,500.00

Not-to-Exceed Total \$2,500.00

For 22 Aggrieved Members

Pricing Good for Scope of Estimate Only

May 21, 2026

Case: Zhang v. Hot Pot Sacramento PAGA Distribution

Phoenix Contact: Jodey Lawrence
 Contact Number: 949.566.1455
 Email: Jodey@phoenixclassaction.com

Requesting Party: Mark J. Bluer
 Firm: Bluer & Bluer, LLP
 Direct Line: (415) 989-1282
 Email: mbluer@bluerlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on **22 Aggrieved Members**. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$150.00	1	\$150.00
Programming Database & Setup	\$150.00	1	\$150.00
Toll Free Setup*	\$45.64	1	\$45.64
Call Center & Long Distance	\$2.00	4	\$8.00
NCOA (USPS)	\$10.00	1	\$10.00
		10	\$363.64

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	1	\$125.00
Data Merge & Duplication Scrub	\$0.10	22	\$2.20
Notice and Check Packet	\$1.50	22	\$33.00
Estimated Postage (up to 1 oz.)*	\$0.79	22	\$17.38
		Total	\$177.58

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

EXHIBIT ‘E’



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$150.00	1	\$150.00
Skip Tracing Undeliverables	\$1.50	3	\$4.95
Remail Notice Packets	\$1.50	3	\$4.95
Estimated Postage	\$0.79	3	\$2.61
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$212.51

Database Programming

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$125.00	1	\$125.00
Case Manager	\$125.00	1	\$125.00
Total			\$250.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	1	\$125.00
Disbursement Review	\$125.00	1	\$125.00
Programming Manager	\$100.00	1	\$100.00
QSF Bank Account & EIN	\$50.00	1	\$50.00
Check Run Setup & Printing	\$125.00	1	\$125.00
Total			\$525.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	1	\$125.00
Remail Undeliverable Checks (Postage Included)	\$1.50	4	\$6.27
Case Associate	\$50.00	1	\$50.00
Reconcile Uncashed Checks	\$70.00	2	\$140.00
Conclusion Reports	\$100.00	1	\$100.00
Case Manager Conclusion	\$75.00	1	\$75.00
Final Reporting & Declarations	\$125.00	1	\$125.00
QSF Annual Tax Reporting * (State Tax Reporting Included)	\$350.00	1	\$350.00
Total			\$971.27

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$2,500.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT ‘F’