HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Matthew K. Moen (SBN 305956)
mmoen@haineslawgroup.com
Ian T. Mallery (SBN 359132)
imallery@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

VICTOR OROZCO and FELIPE RUVALCABA, as individuals and on behalf of all others similarly situated,

Plaintiffs,

vs.

MAGNETIC COMPONENT ENGINEERING, LLC, a Delaware limited liability company; DEXTER MAGNETIC TECHNOLOGIES, INC., a New York corporation; MAGNETIC HOLDINGS, LLC, a California limited liability company; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 24STCV29587

[*Assigned for all purposes to the Hon. Timothy P. Dillon, Dept. 15*]

DECLARATION OF MATTHEW K. MOEN IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Date: February 3, 2027
Time: 10:00 a.m.
Dept.: 15

Action Filed: November 12, 2024
Trial Date: None Set

DECLARATION OF MATTHEW K. MOEN

I, Matthew K. Moen, declare as follows:

1. I am a Senior Associate with Haines Law Group, APC, and counsel for the named Plaintiffs Victor Orozco and Felipe Ruvalcaba ("Plaintiffs") in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I received a Bachelor of Arts degree from UCLA in 2011, and a Juris Doctor from Loyola Law School, Los Angeles, in 2015. Both before and during law school, I worked for the law firm of Prindle, Amaro, Goetz, Hillyard, Barnes & Reinholtz LLP (now known as Prindle, Goetz, Barnes & Reinholtz LLP), located in Long Beach, California. Both before and during law school, I also worked for Jill McBride Baxter, Certified Sports Agent and Sports Law Attorney.

3. From January 2016 to December 2017, I worked as an associate at Baltodano & Baltodano LLP, a law firm dedicated exclusively to the practice of Plaintiff-side employment law located in San Luis Obispo, California. After the founding partner and senior litigation partner at Baltodano & Baltodano LLP, Justice Hernaldo J. Baltodano, was appointed to the California judiciary in December 2017, the firm dissolved on December 31, 2017. Since January 1, 2018, I have worked as an associate at my current firm, Haines Law Group, APC.

4. During my time with both Baltodano & Baltodano LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side employment related cases in both state and federal court, including wage and hour class actions arising under the California Labor Code and the Fair Labor Standards Act. I am currently responsible for overseeing over sixty (60) active wage and hour class action and/or PAGA representative actions in which I am integrally involved in all aspects of the litigation. I also supervise the work of several junior attorneys staffed on the same wage and hour actions.

5. I have been appointed as Class Counsel in over fifty (50) class action settlements that have been granted final approval. In 2025, I was named as Class Counsel and awarded attorney's fees following a lodestar cross-check in the following wage and hour class action cases:

Ruben Hernandez, et al. v. Neovia Logistics Services, LLC, et al., Case No. CIVSB2305867, San Bernardino County Superior Court, Honorable Tony Raphael, presiding (using an hourly rate of $650 for work performed in 2023-2025); *Jonathan Jauregui Gutierrez, et al. v. PASHA Automotive Services*, Case No. 37-2021-00011967-CU-CO-CTL, San Diego County Superior Court, Honorable Katherine A. Bacal, presiding (using an hourly rate of $650 for work performed in 2021-2025); *Miriam Moreno v. Beacon Day School, Inc.*, Case No. 30-2022-01296662-CU-OE-CXC, Orange County Superior Court, Honorable Lon F. Hurwitz, presiding (using an hourly rate of $650 for work performed in 2022-2025); *Raul Camacho, et al. v. Residential Fire Systems, Inc., et al.*, Case No. 30-2015-00775372-CU-OE-CXC, Orange County Superior Court, Honorable Lon F. Hurwitz, presiding (using an hourly rate of $650 for work performed in 2018-2025); *Christian Alanis v. Leonard Roofing, Inc.*, Case No. BC672028, Los Angeles County Superior Court, Honorable William F. Highberger, presiding (using an hourly rate of $650 for work performed in 2018-2025); *Georgina Espinoza, et al. v. Warehouse Demo Services, Inc., et al.*, Case No. 17CV310844, Santa Clara County Superior Court, Honorable Theodore C. Zayner, presiding (using an hourly rate of $650 for work performed in 2021-2025); *In Re: Stanislaus Food Products Company Employment Cases*, Lead Case No. CV-23-001433, Stanislaus County Superior Court, Honorable John D. Freeland, presiding (using an hourly rate of $725 for work performed in 2023-2025); *Samantha Vvanti, et al. v. O'Reilly Auto Enterprises, LLC*, Case No. 19STCV00091, Los Angeles County Superior Court, Honorable Timothy Patrick Dillon, presiding (using an hourly rate of $725 for work performed in 2022-2025); and *John Ledbetter, et al. v. CJ Logistics America, LLC*, Case No. CIVSB2207118, San Bernardino County Superior Court, Honorable David E. Driscoll, presiding (using an hourly rate of $725 for work performed in 2022-2025).

6. So far in 2026, I have been awarded attorney's fees following a lodestar cross-check based on an hourly rate of $775 per hour in the following cases:

- *Vicente Sandoval v. Cybex Security Solutions, LLC, et al.*, Case No. 30-2024-01398109-CU-OE-CXC, Orange County Superior Court, Honorable Layne H. Melzer, presiding (using an hourly rate of $775 for work performed in 2024-2026);

- *Falcao Rivelino Hernandez, et al. v. LDI Mechanical, Inc.*, Case No. CVRI2401542, Riverside County Superior Court, Honorable Harold W. Hopp, presiding (using an hourly rate of $775 for work performed in 2024-2026);
- *Jose Fuentes v. Southwest Material Handling, Inc.*, Case No. CVRI2404365, Riverside County Superior Court, Honorable Harold W. Hopp, presiding (using an hourly rate of $775 for work performed in 2024-2026);
- *Brianna McCulin, et al. v. South Coast Children's Society, Inc.*, Case No. 25STCV09319, Los Angeles County Superior Court, Honorable Elaine Lu, presiding (using an hourly rate of $775 for work performed in 2025-2026);
- *Jose Moran vs. Araca Merchandise, L.P., et al.*, Case No. 24STCV02003, Los Angeles County Superior Court, Honorable William F. Highberger, presiding (using an hourly rate of $775 for work performed in 2024-2026);
- *Jose Vasquez v. Santa Clarita Valley Committee on Aging Corporation, dba SCV Senior Center*, Case No. 25STCV06096, Los Angeles County Superior Court, Honorable Laura A. Seigle, presiding (using an hourly rate of $775 for work performed in 2025-2026);
- *Darren Cain v. Bellhops Moving, LLC*, Case No. 24STCV09965, Los Angeles County Superior Court, Honorable Theresa M. Traber, presiding (using an hourly rate of $775 for work performed in 2024-2026);
- *Juan Dorantes Miranda v. C M C Steel Fabricators, Inc.*, Case No. CIVSB2511003, San Bernardino County Superior Court, Honorable Wilfred J. Schneider, Jr., presiding (using an hourly rate of $775 for work performed in 2025-2026); and
- *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino County Superior Court, Honorable Kevin C. Lee, presiding (using an hourly rate of $775 for work performed in 2018-2026)

7. I have also been appointed as Class Counsel following a contested motion to certify one or more classes in the following cases:

- *Staublein v. Wells Fargo Bank, National Association,* Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class);
- *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino County Superior Court, Honorable David Cohn, presiding (certifying claims for unpaid overtime and minimum wage violations, meal period violations, rest period violations, wage statement violations, and waiting time penalties); and
- *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno County Superior Court, Honorable D. Tyler Tharpe, presiding (certifying claims for meal period violations, unpaid rest period violations, wage statement violations, and waiting time penalties).

8. In every year from 2020 to 2025, Thomson Reuters and Los Angeles Magazine recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

9. As counsel for Plaintiffs, I have been actively involved in all aspects of this litigation since its inception.

10. Attached hereto as **Exhibit 1** is a true and correct copy of the proposed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement" or "Settlement Agreement"). The proposed Notice of Class Action and PAGA Settlement ("Class Notice") is attached to the Settlement Agreement as Exhibit C. Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff Orozco's November 12, 2024 notice letter to the California Labor and Workforce Development Agency ("LWDA") under the Private Attorneys General Act ("PAGA"). Attached hereto as **Exhibit 3** is a true and correct copy of Plaintiff Orozco's November 20, 2026 amended PAGA notice letter to the LWDA. Attached hereto as **Exhibit 4** is a true and correct copy of Plaintiffs' Submission to the LWDA of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement, including all documents filed in support thereof, and the LWDA's confirmation of receipt. Plaintiffs have submitted the proposed Settlement to the LWDA in accordance with Labor Code § 2699(s)(2).

11. After Court-approved deductions for Plaintiffs' Class Representative Service Payments, the Administration Expenses Payment, the PAGA Penalties, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment, the remaining Net Settlement Fund ("NSF") is estimated to be no less than $13,916.67. This results in an average Individual Class Payment of approximately $732.46, with the lowest possible estimated Individual Class Payment of $4.82 (in the event a Settlement Class Member worked only one Workweek during the Class Membership Period) and the highest possible estimated Individual Class Payment of $1,513.10 (in the event a Settlement Class Member performed work in every Workweek during the Class Membership Period). Further, an additional $1,750.00 will be paid to approximately 76 Aggrieved Employees, resulting in an average Individual PAGA Payment of approximately $23.03.

12. Prior to reaching this proposed Settlement, Defendants, through informal discovery, provided Plaintiffs with all reasonably available timekeeping and payroll records, wage statements, class list and workweek/pay period data, and policies and employee handbooks spanning the entire Class Membership Period. Plaintiffs also retained an expert, who conducted a comprehensive analysis of the data and created a comprehensive damages model. On March 30, 2026, after extensive legal research and analysis, along with Plaintiffs' and their expert's comprehensive review of the data, the Parties participated in a mediation session with Kevin T. Barnes, Esq., an experienced wage-and-hour class action mediator, and were able to reach a class-wide settlement after accepting a mediator's proposal at the conclusion of mediation. Over the following months, the Parties negotiated and executed the long-form Settlement Agreement that is now before this Court for preliminary approval.

13. Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California.

14. On November 12, 2024, Plaintiff Victor Orozco initiated the instant action, alleging Defendants failed to: pay all minimum wages; pay all overtime wages; provide compliant meal periods; provide accurate itemized wage statements; and timely pay all wages owed upon separation, and that Defendants thereby engaged in unfair competition in violation of Business and Professions Code § 17200. That same day, Plaintiff Orozco submitted notice to the LWDA

of Defendants' alleged Labor Code violations (the "PAGA Notice"). On January 17, 2025, Plaintiff Orozco filed a First Amended Class and Representative Action Complaint, adding a cause of action for civil penalties under PAGA. On November 17, 2026, Plaintiff Orozco filed an amended PAGA Notice with the LWDA identifying additional facts and theories regarding alleged rest period violations. Concurrently with the filing of Plaintiffs' Motion for Preliminary Approval, the Parties are filing a Stipulation and Proposed Order to grant Plaintiffs leave to file the operative Second Amended Complaint for purposes of the Settlement only, which adds Felipe Ruvalcaba as a named plaintiff and a cause of action for failure to authorize and permit compliant rest periods.

15. Plaintiffs assert that Defendants' electronic timekeeping system recorded non-exempt employees' clock-in and clock-out punches to the minute, but rounded total hours worked to the nearest quarter-hour for payroll purposes. Plaintiffs allege that the rounding practice was not neutral in application and resulted in employees not being compensated for all hours worked. Plaintiffs further assert that Defendants' policies required employees to be ready to work immediately upon clocking in, such that the unrounded punches reflect all time during which employees performed work.

16. Defendants deny Plaintiffs' claims and contend their rounding practice was facially neutral and neutral as applied, and therefore lawful. Defendants further assert that individualized inquiries would be required to determine what each employee was doing during the start and end of their work periods, including whether or not they were performing compensable work, precluding class treatment.

17. Plaintiffs assert that Defendants failed to provide legally compliant meal periods of at least 30 minutes of "net" rest in a suitable area away from the workstation. Specifically, Plaintiffs allege that Defendants' written policies required employees to "return to work on time at the end of your lunch period" and to remain at their workstations except for approved breaks, and instructed employees to clock back in after exactly 30 minutes, which did not account for travel time between the timeclocks, workstations, and break rooms. Plaintiffs further allege that meal periods commenced after the fifth hour of work.

18. Defendants argue they are only required to "provide" the opportunity to take meal periods, not "ensure" they are taken. Defendants further contend that their written policy provides compliant, timely 30-minute meal periods, and that employees were provided with a full 30-minutes in the breakroom as required by law. Defendants also argue that individualized inquiries into travel time and the reasons any meal period was late or short would preclude class certification.

19. Plaintiffs assert that Defendants failed to authorize and permit a "net" 10-minute rest period beginning when the employee reaches an area appropriate for rest. Specifically, Plaintiffs allege that Defendants' rest period policy authorized breaks of exactly 10 minutes beginning when employees left their workstations, and required employees to return to their workstations by the end of the 10 minutes under threat of discipline. Plaintiffs further assert that employees were excused and recalled by a bell system and had to walk to and from a breakroom approximately 2-3 minutes away, reducing actual rest to less than 10 minutes. Plaintiffs also allege that Defendants did not pay any rest period premiums.

20. Defendants argue they maintain a lawful written rest period policy that authorizes and permits all required 10-minute rest periods, and that the employees' rest periods, in practice, did not start until the employee reached the breakroom. Defendants further contend that employees chose to rest anywhere away from their workstations, not just in the breakroom, and that individual inquiries into each employee's location, travel time, and break practices on each shift would result in an unmanageable series of mini-trials.

21. As a result of Defendants' failure to pay all minimum and overtime wages and meal and rest period premiums, Plaintiffs assert that Defendants issued inaccurate wage statements. Plaintiffs further assert that Defendants willfully failed to pay all wages due at separation of employment, including unpaid minimum wages and meal and rest period premium wages. Finally, Plaintiffs seek PAGA civil penalties on behalf of all Aggrieved Employees based on these same predicate Labor Code violations, as set forth in the PAGA Notice.

22. Defendants argue that Plaintiffs' wage statement, waiting time, and PAGA claims are derivative of the underlying claims and will fail if the underlying claims fail. Defendants also

maintain that any wage statement violations were not "knowing and intentional" and that employees did not "suffer injury," as required by Labor Code § 226(e). As to waiting time penalties, Defendants contend that their good faith defenses to Plaintiffs' underlying claims would preclude the recovery of waiting time penalties, which are only available for the "willful" failure to pay wages. Finally, as to the PAGA claim, Defendants argue that the Court would exercise its discretion to substantially reduce any PAGA penalties, and that their Individual Settlement Program releases and good-faith defenses would reduce any PAGA award.

23. The Parties engaged in informal discovery and information exchange prior to attending mediation. Through informal discovery, Defendants provided Plaintiffs with all reasonably available timekeeping and payroll records, wage statements, class list and workweek/pay period data, and policies and employee handbooks in advance of mediation. With the assistance of a retained expert, Plaintiffs conducted a comprehensive analysis of the data and created a comprehensive damages model. On March 30, 2026, the Parties participated in a mediation session, during which the Parties exchanged divergent views on Defendants' liability and exposure valuations, their legal positions, and the likelihood of certification of Plaintiffs' claims. At the close of mediation, the mediator issued a mediator's proposal that the Parties ultimately accepted. Over the following months, the Parties finalized the terms of the proposed Settlement now before the Court for preliminary approval.

24. According to Defendants' records, there are approximately 19 remaining Settlement Class Members eligible for an Individual Class Payment. Based on the estimated NSF, the average Individual Class Payment is projected to be approximately $732.46.

25. At the time of seeking Final Approval, Plaintiffs will apply for Class Representative Service Payments in the amount of $5,000.00 each for their service to the Settlement Class and general release of all claims. The requested Class Representative Service Payments also recognize the significant risks Plaintiffs undertook by serving as the named plaintiffs, and the fact that they agreed to a general release of all claims subject to a waiver of Civil Code § 1542.

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26. Class Counsel will also apply for a Class Counsel Fees Payment of up to one-third of the Gross Settlement Fund (currently estimated at $52,333.33) and a Class Counsel Litigation Expenses Payment of up to $33,000.00 for actual litigation costs. Plaintiffs submit that the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting pre-filing investigation, reviewing Defendants' policies and timekeeping/payroll data, retaining and working with an expert to create a comprehensive damages model, preparing for and attending mediation, negotiating the Settlement, and preparing the preliminary approval papers. Class Counsel will also expend future attorney time attending the hearing on Plaintiffs' Motion for Preliminary Approval, overseeing the notice process, drafting the Motion for Final Approval and supporting documents, attending the Final Approval Hearing, and completing other tasks, such as fielding questions from Settlement Class Members.

27. Class Counsel submits that the request for attorneys' fees is reasonable when viewed as an overall percentage of the Settlement in light of the risks and work undertaken, the positive results obtained for the class, and the efficiency with which the Parties have conducted the litigation.

28. Class Counsel carefully vetted the claims at issue, reviewed Settlement Class Member timekeeping and payroll records, wage statements, and class list and workweek/pay period data spanning the entire Class Membership Period, reviewed all relevant policy documents, retained an expert, and created a comprehensive damages model.

29. To date, the Parties have engaged only in informal discovery and information exchange in connection with mediation. Absent settlement, the Parties will be required to expend substantial time and resources conducting formal written and deposition discovery, litigating summary judgment or adjudication, preparing for trial, and facing potential appellate proceedings.

30. At the time of the proposed Settlement, Plaintiffs had not filed their motion for class certification. Had the Court certified any claims, Plaintiffs anticipated that Defendants would seek decertification. Moreover, after Plaintiff Orozco filed this action, Defendants conducted a Pick-Up-Stix campaign through their Individual Settlement Program, mailing

putative class members individual settlement offers in exchange for releases of their claims; approximately 112 of the approximately 131 putative class members (roughly 85%) accepted, substantially reducing the size of the putative class and threatening Plaintiffs' ability to prove numerosity at the time of class certification. Therefore, absent the Settlement, there was a serious risk that Plaintiffs would be unable to move forward on a class-wide basis.

31. Plaintiffs' expert's data analysis determined that Defendants' rounding practice favored Defendants in 487 workweeks, resulting in 97.13 unpaid hours across the putative class. Plaintiffs therefore calculated Defendants' maximum exposure for the minimum and overtime wage (rounding) claim at $2,992 (97.13 hours × $15.40 weighted average minimum wage × 2 for liquidated damages).

32. Defendants contend their rounding practice was facially neutral and neutral as applied, and therefore lawful, that any unrounded pre-shift or post-shift time was not compensable work time, and that individualized inquiries would be required to determine what each employee was doing during rounded time, precluding class treatment. In light of these certification risks, Plaintiffs discounted the maximum exposure by 35% for the risk of non-certification, and by an additional 45% for the risk of failing to prove liability on the merits, resulting in estimated exposure of $1,070.

33. Plaintiffs' expert's data analysis determined that the putative class members worked approximately 4,202 shifts in excess of 6.0 hours during which the employee's timekeeping records reflected a meal period of exactly 30-minutes in length, in violation of Plaintiffs' "net rest" theory. Plaintiffs therefore calculated Defendants' maximum exposure for the meal period claim at $104,335 (4,202 shifts × $24.83 avg. premium wage).

34. Defendants argue they are only required to provide the opportunity to take meal periods, not ensure they are taken, that their written policy provides compliant, timely 30-minute meal periods, and that individualized inquiries into travel time and the reasons any meal period was late or short would preclude class certification. In light of the substantial certification risks, Plaintiffs discounted the maximum exposure by 30% for the risk of non-certification, and by an

additional 50% for the risk of failing to establish liability on the merits, resulting in estimated exposure of $36,517.

35. Plaintiffs' expert's data analysis determined that the putative class members worked approximately 9,626 shifts over 3.5 hours. Plaintiffs therefore calculated Defendants' maximum exposure for the rest period claim at $239,014 (9,626 shifts × $24.83 avg. premium wage).

36. Defendants argue they maintain a lawful written rest period policy, that employees chose to rest anywhere away from their workstations, not just in the breakroom, and that individual inquiries into each employee's location, travel time, and break practices would result in an unmanageable series of mini-trials, which Defendants assert is exacerbated by the fact that rest periods were not recorded. In light of the manageability and certification risks Defendants identified, Plaintiffs discounted the maximum exposure by 40% for the risk of non-certification, and by an additional 50% for the risk of failing to establish liability on the merits, resulting in estimated exposure of $71,704.

37. Plaintiffs' data analysis determined that, during the one-year limitations period, 356 wage statements were issued to 8 putative class members. Plaintiffs therefore calculated Defendants' maximum exposure for the wage statement claim at $32,000 ((8 initial violations × $50) + (348 subsequent violations × $100) = $35,200, capped at $4,000 per employee × 8 employees).

38. Defendants argue that any wage statement violations were not knowing and intentional, that employees did not suffer injury, that their reasonable, good faith belief that they paid all wages owed precludes penalties, and that the derivative claim fails if the underlying claims fail. In light of these risks, Plaintiffs discounted the maximum exposure by 30% to account for the risk of non-certification of the underlying claims, and by an additional 35% for the risk of failing to establish liability on the merits, including failing to prove the violations were "knowing and intentional," that the Settlement Class Members "suffer[ed] injury," or that the Court would find that Defendants had a reasonable, good faith belief that they paid all wages owed precluding the imposition of wage statement penalties, resulting in estimated exposure of $14,560.

39. Plaintiffs' data analysis determined that approximately 13 former employees separated from employment during the three-year limitations period and are eligible for waiting time penalties. Plaintiffs therefore calculated Defendants' maximum exposure for the waiting time penalty claim at $77,469 (13 former employees × $24.83 average rate × 8 hours × 30 days).

40. Defendants contend that they paid all final wages owed in good faith and within statutory time limits, and invoke the good faith dispute defense, arguing that any failure to include meal and rest period premiums in final wages was based on a reasonable and good faith belief that such amounts were not owed, thereby precluding a finding of willfulness. Therefore, Plaintiffs discounted the maximum exposure by 30% for the risk of non-certification of the underlying claims, and by an additional 35% for the risk of being unsuccessful on the merits or failing to establish a "willful" failure to pay all wages due at separation, resulting in estimated exposure of $35,249.

41. Plaintiffs' data analysis determined that Aggrieved Employees worked approximately 2,847 pay periods as of the date of mediation, in each of which Plaintiffs assert they could establish at least one Labor Code violation. Plaintiffs therefore calculated Defendants' maximum exposure for the PAGA claim at $284,700 (2,847 pay periods × $100 initial violation rate).

42. Defendants argue that the PAGA civil penalties are derivative of the underlying wage and hour violations Defendants dispute, and that their Individual Settlement Program releases and good-faith defenses would apply to reduce any PAGA award. Defendants also argue that the Court would exercise its discretion to substantially reduce any PAGA penalties. Plaintiffs therefore discounted the maximum figure by 55% for the risk of losing on the merits of all underlying claims and by 90% for the likely possibility that the Court would reduce the PAGA penalties awarded, to arrive at an estimated exposure of $12,812.

43. Using these estimated figures, Plaintiffs estimated that the potential reasonable recovery for the Settlement Class would be approximately $171,911. Thus, the Gross Settlement Fund of $157,000 represents approximately 91.3% of Plaintiffs' reasonably forecasted aggregate

recovery. This is well within the range approved by courts as fair, reasonable, and adequate, while also avoiding the further expense and risk of proceeding toward class certification and trial.

44. Class Counsel and their retained expert conducted an extensive review and analysis of Defendants' produced timekeeping and payroll records, wage statements, and class list and workweek/pay period data and drew on their extensive experience in similar cases to assess the strengths and weaknesses of Plaintiffs' case. It was only after the completion of this work that the Parties attended mediation and accepted a mediator's proposal at the conclusion of mediation for a class-wide settlement of all claims at issue.

45. The Settlement resulted from informed, arm's-length negotiations after Plaintiffs analyzed Defendants' records and the Parties mediated before Kevin T. Barnes, Esq., who issued the proposal the Parties accepted. The Settlement was also reached after Defendants engaged in a successful Pick-Up-Stix campaign after Plaintiff Orozco filed the lawsuit, substantially reducing the size of the putative class and threatening Plaintiffs' ability to prove numerosity at the time of class certification.

46. Settlement Class Members can be easily identified using Defendants' employment and payroll records. Defendants represent that the Settlement Class consists of approximately 19 individuals, rendering it impracticable to bring all Settlement Class Members before the Court.

47. I confirm that I do not have any interest or involvement in, and am not affiliated with, the proposed settlement administrator, Apex Class Action, LLC.

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48. I confirm that my firm is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by this Settlement. Further, I sent a firm-wide email inquiring if any member of my law firm was aware of any other pending matter or action that asserts claims similar to those asserted in this action that will be extinguished or adversely affected by this Settlement. No one from my law firm stated that they were aware of any other pending matter or action that asserts claims similar to those asserted in this action that will be extinguished or adversely affected by this Settlement.

I declare under penalty of perjury under the laws of California and the United States that the foregoing is true and correct. Executed on November 20, 2026, at El Segundo, California.



Matthew K. Moen

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (the "Agreement") is made and entered into by and between Plaintiffs VICTOR OROZCO and FELIPE RUVALCABA, on the one hand, and Defendant MAGNETIC COMPONENT ENGINEERING, LLC, on the other hand, in the Action (as defined below). This Agreement is subject to the terms and conditions herein and the approval of the Court. For purposes of this Agreement, the aforementioned Plaintiffs and Defendant are each referred to collectively as "Parties" or individually as a "Party."

1. **DEFINITIONS**.

1.1 "Action" means *Victor Orozco v. Magnetic Component Engineering, LLC, et al.*, LASC Case No. 24STCV29587, initially filed on November 12, 2024, in the Superior Court of the State of California, County of Los Angeles (the "Court").

1.2 "Administrator" means Apex Class Action, LLC, the neutral entity the Parties have agreed to be appointed by the Court to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Fund to reimburse its reasonable fees and expenses, not to exceed $5,750.00, 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 all individuals who are or were employed by Defendant as non-exempt employees in California during the PAGA Membership Period.

1.5 "Class Counsel" means Paul K. Haines, Fletcher W. Schmidt, Matthew K. Moen, and Ian T. Mallery of Haines Law Group, APC.

1.6 "Class Counsel Fees Payment" means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees not to exceed one-third (1/3) of the Gross Settlement Fund.

1.7 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reasonable verified litigation costs and expenses not to exceed $33,000.00.

1.8 "Class Data" means Settlement Class Member identifying information in Defendant's possession including each Settlement Class Member's name, last-known mailing address, Social Security number, and the number of Class Membership Period Workweeks and PAGA Pay Periods.

1.9 "Class Member" or "Settlement Class Member" means a member of the Settlement Class, as either a Participating Class Member or Non-Participating Class Member

(including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10 "Class Member Address Search" or "Settlement Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11 "Class Membership Period" means the period from November 12, 2020 through the MPA Filing Date.

1.12 "Class Notices" mean the Court-approved notices of class action settlement and hearing date for final court approval, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit C and incorporated by reference into this Agreement.

1.13 "Class Representatives" means the named Plaintiffs in the operative complaint in the Action, as amended in accordance with this Agreement, seeking Court approval to serve as Class Representatives.

1.14 "Class Representative Service Payment" means the payment to each of the Class Representatives for initiating the Action and/or providing services in support of the Action.

1.15 "Court" means the Superior Court of California, County of Los Angeles.

1.16 "Defendant" means named Defendant Magnetic Component Engineering, LLC, and "Defendants" means all of the named Defendants in the Operative Complaint (as defined below).

1.17 "Defense Counsel" means Matthew C. Kane, Sylvia J. Kim, Amy E. Beverlin, and Kerri H. Sakaue of Baker & Hostetler LLP.

1.18 "Effective Date" means: (i) sixty-five (65) days after entry of the Court's Final Approval Order and Judgment granting Final Approval of the Settlement, so long as no appeals are filed therefrom; or (ii) if a timely appeal of the Court's Final Approval Order has been filed, thirty (30) days after the final disposition of all appellate proceedings and the exhaustion of any applicable time to seek further appellate review without doing so.

1.19 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.20 "Final Approval" means the Court's granting final approval of the Settlement.

1.21 "Final Approval Order" means the Court's order entered upon granting Final Approval.

1.22 "Gross Settlement Fund" or "GSF" means **$157,000.00**, which is the total amount Defendant agrees to pay under the Settlement, subject to the provisions of Paragraphs 3.3.1, 3.4, 8 and 9, below, and includes the Individual Settlement Amounts Defendant already paid to certain Class Members through its Individual Settlement Program. The Gross Settlement Fund will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service Payment and the Administrator's Expenses.

1.23 "Gross Settlement Fund Payment" or "GSF Payment" means $120,000.00, which is the total amount that will be paid by Defendant into the GSF and which is the net amount of the Gross Settlement Fund [$157,000.00] less a payment credit of the Individual Settlement Amount [$37,000.00] for the amounts Defendant paid to certain Settlement Class Members pursuant to its Individual Settlement Program.

1.24 "Individual Class Payment" means the Participating Class Member's *pro rata* share of the Net Settlement Fund calculated in accordance with Paragraph 3.4.4 below.

1.25 "Individual PAGA Payment" means the Aggrieved Employee's *pro rata* share of 35% of the PAGA Penalties calculated in accordance with Paragraph 3.4.5 below.

1.26 "Individual Settlement Amount" means the approximately $37,000.00 Defendant has already paid to certain Settlement Class Members through its Individual Settlement Program.

1.27 "Individual Settlement Program" refers to the individual settlement program conducted by Defendant from February 2026 to March 2026 and described in greater detail in Paragraph 2.3.

1.28 "Individual Settlement Share" refers to the share of the Individual Settlement Amount certain Settlement Class Members received through Defendant's Individual Settlement Program.

1.29 "Judgment" means the judgment entered by the Court based upon the Court's Final Approval Order.

1.30 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to the LWDA PAGA Payment, under California Labor Code § 2699, subd. (i).

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

1.32 "MPA Filing Date" means November 18, 2026.

1.33 "Net Settlement Fund" or "NSF" means the Gross Settlement Fund Payment, less the following payments in the amounts approved by the Court: (a) the Individual PAGA Payments, (b) the LWDA PAGA Payment, (c) the Class Representative

Service Payment, (d) the Class Counsel Fees Payment, (e) the Class Counsel Litigation Expenses Payment, and (f) the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.34 "Non-Participating Class Member" means any Settlement Class Member who either (a) opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion, or (b) received an Individual Settlement Share payment through Defendant's Individual Settlement Program.

1.35 "PAGA Membership Period" means the period from November 12, 2023 through the end of the Class Membership Period.

1.36 "PAGA Pay Periods" means any Pay Periods during which an Aggrieved Employee actually performed work for Defendant as a non-exempt employee in California during the PAGA Membership Period.

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

1.38 "PAGA Notice" means Plaintiff Victor Orozco's November 12, 2024 letter to Defendant and the LWDA, as amended in the form attached hereto as Exhibit B, which provided and provides notice pursuant to California Labor Code § 2699.3, subd.(a).

1.39 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Fund ($5,000.00), allocated 35% to the Aggrieved Employees ($1,750.00) and the 65% to the LWDA ($3,250.00) in settlement of PAGA claims.

1.40 "Participating Class Member" means a Settlement Class Member who both (a) does not submit a valid and timely Request for Exclusion from the Settlement, and (b) did not receive a payment through Defendant's Individual Settlement Program.

1.41 "Plaintiffs" means Victor Orozco and Felipe Ruvalcaba, the named Plaintiffs in the Action under the Second Amended Complaint to be filed in accordance with this Agreement.

1.42 "Preliminary Approval" means the Court's order granting Preliminary Approval of the Settlement.

1.43 "Proposed Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of Class Action and PAGA Settlement.

1.44 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.45 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.46 "Released Parties" means: Defendants and any of Defendants' respective present and former parents, subsidiaries, successors, and affiliated companies or entities (including Dexter Magnetic Technologies, Inc., Magnetic Holdings, LLC and Permag Corp.), and their respective directors, employees, officers, partners, shareholders, owners, agents, attorneys, insurers, and assigns.

1.47 "Request for Exclusion" means a Settlement Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.48 "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Settlement Class Members and Aggrieved Employees, and shall be the last date on which Settlement Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Settlement Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the expired Response Deadline.

1.49 "Settlement" means the disposition of the Action, Released Class Claims and Released PAGA Claims effected by this Agreement and the Judgment.

1.50 "Settlement Class" means all individuals who are or were employed by Defendant as non-exempt employees in California from November 12, 2020 through the MPA Filing Date, but excluding anyone who has filed their own separate action as a named plaintiff alleging the same or similar claims being released by the Settlement and/or who has previously released such claims.

1.51 "Workweek" means any week during which a Settlement Class Member actually performed work for Defendant as a non-exempt employee in California during the Class Membership Period.

2. RECITALS.

2.1 On November 12, 2024, Plaintiff Victor Orozco commenced the Action by filing a Complaint (the "Complaint") against Defendant. On January 17, 2025, Plaintiff Victor Orozco filed a First Amended Class and Representative Action Complaint (the "FAC"). The FAC is the currently operative complaint in the Action. Pursuant to this Agreement, the Parties are stipulating to Plaintiff Victor Orozco having leave to file a Second Amended Complaint ("SAC") which, for purposes of this settlement only, will be the operative complaint in the Action (the "Operative Complaint"). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged in any of the pleadings in the Action and the violations alleged in the PAGA Notice. The Complaint, FAC and SAC are referred to herein collectively as the "Complaints."

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

2.3 On February 6, 2026, Defendant initiated an Individual Settlement Program, mailing putative Settlement Class Members a packet offering to settle their claims against Defendant. Each packet contained (1) an offer letter providing information about (a) this case and (b) the Individual Settlement Program; (2) answers to anticipated questions about the Individual Settlement Program; (3) the applicable release; (4) the caption page of the FAC; and (5) a check to cash or instructions to obtain the payment electronically if the recipient opted to accept Defendant's offer. As of the date of this Agreement, approximately 112 Settlement Class Members who were recipients (roughly 85%) have accepted their offered settlement through the Individual Settlement Program, resulting in Defendant paying approximately $37,000.00 to those Settlement Class Members.

2.4 On March 30, 2026, the Parties participated in an all-day mediation presided over by Kevin T. Barnes, Esq.

2.5 Prior to negotiating the Settlement, Plaintiff obtained, through informal discovery, documents and information, including, *inter alia*, data points regarding the Settlement Class Members and Aggrieved Employees. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc*. (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.6 The Court has not granted class certification.

2.7 The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any pending matters brought by anyone during the Class Membership Period asserting claims that may or will be extinguished or affected by the Settlement.

3. <u>LEAVE TO FILE SAC; AMENDED PAGA NOTICE; AND MONETARY TERMS</u>.

3.1 <u>Conditional Leave to File SAC</u>. Solely for purposes of this Settlement only, and the Court granting Preliminary Approval and Final Approval thereof, concurrently with the filing of Plaintiffs' motion for Preliminary Approval of this Settlement, the Parties are filing the Stipulation and Order attached hereto as <u>Exhibit A</u> granting Plaintiffs leave, subject to the Court's entry of such approval orders, to file the proposed SAC attached thereto, which adds Felipe Ruvalcaba as a named Plaintiff, pleads the claims in the FAC and asserts additional direct statutory and PAGA claims for alleged failure to provide compliant rest periods, and paid sick leave violations, all of which were investigated, mediated, and resolved in the Action. Plaintiffs' motions for Preliminary Approval and Final Approval of the Settlement will be based on such SAC solely for purposes of this Settlement, and all allegations therein shall be deemed to relate back to the date of the filing of Plaintiff Victor Orozco's original Complaint solely for purposes of this Settlement, with Defendants being relieved from having to file any response to the SAC and being deemed to have generally and specifically denied all allegations contained in the SAC. Should, for whatever reason, the Court require Defendants to file an answer to the SAC, then Defendants will cooperate in doing so. Further, should, for

whatever reason, the Settlement set forth in this Agreement not become final, the SAC shall be deemed stricken, null, and void *ab initio*, with the previously filed FAC remaining the operative pleading, and the Parties will confer regarding leave for Plaintiffs to file a further amended complaint should Plaintiffs wish to do so for purposes of further litigating the Action.

3.2 Amended PAGA Notice. Solely for purposes of this Settlement only, and the Court granting Preliminary Approval and Final Approval thereof, and subject to the Court's entry of such approval orders, Plaintiff Victor Orozco has served and filed the amended PAGA Notice attached hereto as Exhibit B. Should, for whatever reason, the Settlement set forth in this Agreement not become final, the amended PAGA Notice shall be deemed stricken, null, and void *ab initio*, with the original PAGA Notice remaining the operative PAGA Notice.

3.3 Gross Settlement Fund. Except as otherwise provided by Paragraphs 3.3.1, 3.4, 8 and 9 below, Defendant promises to pay **$157,000.00** and no more as the Gross Settlement Fund. The Gross Settlement Fund includes the Individual Settlement Amount Defendant already paid through the Individual Settlement Program to certain individuals who otherwise would have been Settlement Class Members (but may otherwise still be Aggrieved Employees covered by the PAGA portion of this Settlement). Defendant is responsible for the employer share of payroll taxes applicable to the Wages Portion (as defined below), including the employer FICA, FUTA, and SDI contributions, separate and apart from the Gross Settlement Amount (the "Employer Payroll Taxes"), which will not be deducted from the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Fund Payment without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Fund will revert to Defendant.

3.3.1 Gross Settlement Fund Payment. The Gross Settlement Fund is subject to a payment credit of $37,000.00 for the amounts Defendant paid pursuant to the Individual Settlement Program to individuals who otherwise would have been Settlement Class Members (but may otherwise still be Aggrieved Employees covered by the PAGA portion of this Settlement). Therefore, the Gross Settlement Fund Payment amount that will be paid by Defendant into the Gross Settlement Fund is the Gross Settlement Fund amount less the Individual Settlement Amount, or $120,000.00, plus the Employer Payroll Taxes. Defendant will have no additional funding or payment obligations beyond these amounts, except as otherwise provided in Paragraphs 3.4, 8 and 9 below.

3.4 Payments from the Gross Settlement Fund Payment. The Administrator will make and deduct the following further payments from the remaining Gross Settlement Fund Payment (*i.e.* $120,000.00), in the amounts specified by the Court in the Final Approval Order:

3.4.1 To Plaintiffs: A Class Representative Service Payment to each of the Class Representatives of not more than $5,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment to each of them that does not exceed this amount. As part of the motion for Final Approval, Plaintiff will seek Court approval for any Class Representative Service Payment to each of the Plaintiffs no later than sixteen (16) court days prior to the Final Approval Hearing. Subject to the provisions of Paragraph 3.4.6, if the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Fund. The Administrator will pay the Class Representatives Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for all taxes owed on the Class Representative Service Payment awarded to each of them, if any.

3.4.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33-1/3% of the Gross Settlement Fund and a Class Counsel Litigation Expenses Payment of not more than $33,000.00. Plaintiff and/or Class Counsel will file a motion for Final Approval no later than sixteen (16) court days prior to the Final Approval Hearing. Subject to the provisions of Paragraph 3.4.6, if the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Fund. Released Parties shall have no liability to Class Counsel arising from any competing claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for all taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless and indemnify Defendant from any dispute or controversy regarding any division or sharing of any of these Payments.

3.4.3 To the Administrator: An Administrator Expenses Payment not to exceed $5,750.00 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 that amount, the Administrator will allocate the remainder to the Net Settlement Fund.

3.4.4 To Each Participating Class Member: An Individual Class Payment share of the Net Settlement Fund (or Individual Class Payment) calculated initially for each Settlement Class Member who did not receive an Individual Settlement Share payment through Defendant's Individual Settlement Program, for purposes of mailing the Class Notices, as a pro rata share of the Net Settlement Fund based on the number of Workweeks that they performed work for Defendant during the Class Membership Period in

relation to those of all other such Settlement Class Members. Each Participating Class Member's final Individual Class Payment for purposes of payment will be calculated by a pro rata share of the Net Settlement Fund based on the number of Workweeks they performed work for Defendant during the Class Membership Period in relation to those of all other Participating Class Members. For sake of clarity, individuals who otherwise would have been Settlement Class Members but received an Individual Settlement Share payment through Defendant's Individual Settlement Program will not receive any Individual Class Payment (but may otherwise be Aggrieved Employees covered by the PAGA portion of this Settlement).

3.4.4.1 Tax Allocation of Individual Class Payments. Each Participating Class Member's Individual Class Payment will be allocated as follows: (a) 10% for wages, inclusive of all types of applicable employer-paid and employee-paid payroll withholdings and taxes (the "Wages Portion"); plus (b) 45% for civil or statutory penalties and other nonwage damages and (c) 45% for interest (collectively, the "Non-Wages Portion"). The Administrator (and not Defendant) will prepare and issue an IRS Form W-2 for the Wages Portion and an IRS Form 1099 for the Non-Wage Portions to Participating Class Members.

The Administrator will be responsible for preparing and issuing the IRS Form W-2 and IRS Form 1099 forms timely and correctly. Participating Class Members will be responsible for correctly characterizing the compensation that they receive pursuant to this Agreement, including as set forth on any IRS Form W-2 or IRS Form 1099 they receive from the Administrator, and for payment of any taxes owing on said amounts.

3.4.4.2 Employer-Side Payroll Taxes. Defendant is responsible for the Employer Payroll Taxes on the Wages Portion, separate and apart from the Gross Settlement Fund Payment, which will not be deducted from the Gross Settlement Amount.

3.4.4.3 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Fund for distribution to Participating Class Members on a pro rata basis.

3.4.4.4 The Parties acknowledge and agree that neither they nor their attorneys have made any representations regarding the tax consequences of any and all Individual Class Payments made

under this Agreement. Participating Class Members will be required to pay all federal, state, or local taxes, if any, which are required by law to be paid with respect to any and all such payments made to them under the Settlement. The Parties further agree that Defendant shall have no legal obligation to pay, on behalf of Participating Class Members, any taxes, deficiencies, levies, assessments, fines, penalties, interest or costs, which may be required to be paid with respect to such payments, other than the Employer Payroll Taxes.

3.4.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $5,000.00 to be paid from the Gross Settlement Fund Payment, with 65% ($3,250.00) allocated to the LWDA PAGA Payment and 35% ($1,750.00) allocated to the Individual PAGA Payments.

3.4.5.1 Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($1,750.00) by the total number of PAGA Pay Periods, and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Each Individual PAGA Payment will be allocated 100% as civil penalties, which will be reported on IRS Form 1099 (if applicable) prepared and issued by the Administrator (and not Defendant) to Aggrieved Employees.

The Administrator will be responsible for preparing and issuing the IRS Form 1099 forms timely and correctly. Aggrieved Employees will be responsible for correctly characterizing the compensation that they receive pursuant to this Agreement, including as set forth on any IRS Form 1099 they receive from the Administrator, and for payment of any taxes owing on said amounts.

3.4.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Fund.

3.4.5.3 Single Check. When a Participating Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the Individual Class Payment and Individual PAGA Payment.

3.4.5.4 The Parties acknowledge and agree that neither they nor their attorneys have made any representations regarding the tax consequences of any and all Individual PAGA Payments made under this Agreement. Aggrieved Employees will be required to pay all federal, state, or local taxes, if any, which are required by

law to be paid with respect to any and all such payments made to them under the Settlement. The Parties further agree that Defendant shall have no legal obligation to pay, on behalf of Aggrieved Employees, any taxes, deficiencies, levies, assessments, fines, penalties, interest or costs, which may be required to be paid with respect to such payments.

3.4.6 Plaintiffs acknowledge and understand that the Court could only approve a Class Representative Service Payment to each of them in an amount that is a fraction of that set forth above, which will not be known until such time that the Court decides whether to grant Final Approval of the Settlement and even if the Court otherwise grants Preliminary Approval of the Settlement. In the event lesser sums are awarded for the Class Counsel Fees Payment or the Class Counsel Litigation Expenses Payment or the Class Representative Service Payment, the approval by the Court of any such lesser sum(s) shall not be grounds for Plaintiff and/or Class Counsel to terminate the Settlement, but such an order shall be appealable by them. In the event that such an appeal is filed, administration of the Settlement as to the challenged amounts shall be stayed pending resolution of the appeal. Thereafter, if after the exhaustion of such appellate review, any additional amounts remain that are distributable to the Participating Class Members, the cost of administration of such additional payments will be paid out of such additional amounts and will not be chargeable to or payable by Defendant. Any amount not awarded for the Class Counsel Fees Payment or the Class Counsel Litigation Expenses Payment or the Class Representative Service Payment, but which is not challenged via appeal by Plaintiff and/or Class Counsel, shall be added to the Net Settlement Fund and distributed to the Participating Class Members in accordance with the terms of this Agreement.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Settlement Class Members' privacy rights, the Administrator must maintain the Class Data in confidence and not disclose it except as expressly permitted under this Agreement, use the Class Data only for purposes of administering this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform work under this Agreement. The restrictions on the use and disclosure of the Class Data shall be deemed, upon entry of the Court's Order granting preliminary approval of this Settlement, to be a protective order entered by the Court subject to full enforcement by the Parties to this Agreement and the Court, and by taking on the administration of the Settlement, the Administrator agrees that it and its employees, agents and representatives are bound by such protective order. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class

member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2 Funding of Gross Settlement Fund. Within three (3) court days of the Court entering its Final Approval Order, the Administrator will provide Defendant with wire transfer information. Defendant shall fully fund the Gross Settlement Fund Payment (*i.e.*, $120,000.00), along with Employer Payroll Taxes on the Wages Portion (which will be paid separate and apart from the Gross Settlement Fund), by transmitting the funds to the Administrator within fifteen (15) court days after the Effective Date of the Settlement, as defined above, and the occurrence of all other conditions precedent set forth herein, provided all such conditions occur prior to the Effective Date. No funds will be payable by Defendant prior to that time.

4.3 Payments from the Gross Settlement Fund. Within ten (10) business days after Defendant deposits the Gross Settlement Payment with the Administrator, the Administrator shall distribute payment of the approved Individual Class Payments to Participating Class Members, the Individual PAGA Payments to Aggrieved Employees, the LWDA PAGA Payment to the LWDA, the Administration Expenses Payment to the Administrator, the Class Counsel Fees Payment to Class Counsel, the Class Counsel Litigation Expenses Payment to Class Counsel, and the Class Representative Service Payment to Plaintiff in accordance with this Agreement and as ordered by the Court. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

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

4.3.3 For any Settlement Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California State Controller Unclaimed Property fund pursuant to governing law to be held there for the benefit of such Settlement Class Members under California's escheatment laws, and such Settlement Class Members shall nevertheless be bound to this Agreement and the Final Approval Order. The Parties agree this disposition results in no "unpaid residue" under California Civil Procedure Code § 384(b), as the entire Net Settlement Fund shall be paid to Participating Class Members, whether or not their Individual Class Payment checks are cashed.

4.3.4 The Individual Class Payments and Individual PAGA Payments are not being made for any other purpose and will not be construed as "compensation" for purposes of determining eligibility for any health and welfare benefits, unemployment compensation, or other compensation or benefits provided by Defendant. In addition, no individual receiving a payment based on this Settlement shall be entitled to any additional or increased health, welfare, retirement, or other benefits as a result of their participation in the Settlement and/or receipt of payment under this Settlement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the Gross Settlement Fund Payment and Employer Payroll Taxes on the Wages Portion, and Judgment is final, Plaintiffs, Settlement Class Members, Aggrieved Employees, the State of California, the LWDA and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. In consideration of the Class Representative Service Payment and Individual Class Payment to each of them, and the other terms and conditions of the Settlement, Plaintiffs hereby release the Released Parties, and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities, of and from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action of every kind or nature, contingent or accrued, known or unknown, which do or may exist from

the beginning of time through and including the date of Final Approval (the "Plaintiffs' Releases").

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code § 1542. For purposes of the Plaintiffs' Releases, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code § 1542, which reads:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

5.2 Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties of any and all allegations, claims, debts, rights, demands, charges, complaints, actions, causes of action, guarantees, costs, expenses, attorneys' fees, economic damages, non-economic damages, restitution, civil penalties, statutory penalties, liquidated damages, punitive damages, interest, obligations, liabilities, or other monies and remedies, of any and every kind, contingent or accrued, that have been or reasonably could have been alleged or asserted in the Complaints and/or any of the other pleadings filed in the Action based on the facts and/or legal violations alleged therein, and in any notice Plaintiffs sent to the LWDA pursuant to PAGA based on the facts and theories alleged in such notice, during the Class Membership Period. This includes, but is not limited to, claims for statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief for violations of the California Labor Code, California Industrial Welfare Commission Wage Orders, and California Business and Professions Code § 17200, *et seq*., and claims for or based on any type of unpaid minimum, overtime or other wages; failure to provide compliant meal or rest periods and/or meal or rest break premiums at the regular rate of pay; failure to pay any wages timely or at all during and/or upon termination of employment; failure to provide accurate itemized wage statements; failure to pay sick time pay at the regular rate of pay; failure to maintain accurate records; and derivative violations of the California Unfair Competition Law.

Except as set forth in Section 5.3 of this Agreement, Participating Class Members other than Plaintiffs do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring after the date of Final Approval of the Settlement.

5.3 Release of PAGA Claims. In consideration of the PAGA Penalties, Plaintiff Victor Orozco—on behalf of the State of California, the LWDA, and the Aggrieved Employees—releases and discharges the Released Parties of any and all claims for civil penalties that have been alleged, or that reasonably could have been alleged based on the violations, facts and/or theories asserted in the Complaints and/or PAGA Notice(s), including the amended PAGA Notice attached hereto as Exhibit B, during the PAGA Membership Period.

All Aggrieved Employees are therefore deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for civil penalties accrued during the PAGA Membership Period that (1) were alleged, or that reasonably could have been alleged based on the violations, facts and/or theories asserted, in the Complaints and/or PAGA Notice(s) and/or (2) ascertained in the course of the Action through the date of Final Approval of the Settlement.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklists for Preliminary Approvals on the MPA Filing Date.

6.1 Plaintiff's Responsibilities.

6.1.1 Not later than five (5) court days prior to the MPA Filing Date, Class Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval for Defense Counsel's review, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under California Labor Code § 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of Class Action and PAGA Settlement; (iii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve, competency, operative procedures for protecting the security of Class Data, amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance, all facts relevant to any actual or potential conflicts of interest with Settlement Class Members, and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defense Counsel; (iv) signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Settlement Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel attesting to its competency to represent the Settlement Class Members, as well as its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (California Labor Code § 2699.3, subd. (a)), Operative Complaint (California Labor Code § 2699, subd. (l)(1)), this Agreement (California Labor Code § 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of

interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.1.2 Pursuant to PAGA, Plaintiff Victor Orozco and Class Counsel will also submit a copy of this Agreement to the LWDA on the same day Plaintiff files the Motion for Preliminary Approval and promptly provide Defendant with written confirmation demonstrating that the submission has been made. The Parties intend and believe that providing notice of this Settlement to the LWDA pursuant to the procedures described in this section complies with the requirements of PAGA, and will request the Court to adjudicate the validity of the PAGA Notice in the Motion for Final Approval of the Settlement and bar any claim to void or avoid the Settlement under PAGA.

6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval within a reasonable time after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Order granting Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material change to the Agreement within the meaning of this paragraph.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have agreed on Class Counsel's selection of the Administrator to serve in that capacity and Class Counsel has verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4 Notices to Class Members.

7.4.1 No later than three (3) court days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Settlement Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data, as calculated by the Administrator.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notices substantially in the forms attached to this Agreement as Exhibit C in accordance with the terms of this Agreement. The Class Notices shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Settlement Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Settlement Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) court days after the Administrator's receipt of any Class Notices returned by the USPS as undelivered, the Administrator shall re-mail those Class Notices using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notices to Settlement Class Members whose Class Notices are returned by the USPS a second time.

7.4.4 The deadlines for Settlement Class Members' written objections; challenges to Workweeks and/or Pay Periods; and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Settlement Class Members whose notice is re-mailed. The Administrator will inform the Settlement Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Settlement Class Members. If the Parties agree, such persons will be Settlement Class

Members entitled to the same rights as other Settlement Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Settlement Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notices (plus an additional fourteen (14) days for Settlement Class Members whose Class Notices are re-mailed). A Request for Exclusion is a letter from a Settlement Class Member that reasonably communicates the Settlement Class Member's election to be excluded from the Settlement and includes the Settlement Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Settlement Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Settlement Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge, except in connection with the Court's proceedings on Final Approval of the Settlement.

7.5.3 Every Settlement Class Member who is mailed a Class Notice setting forth an Individual Class Payment and does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Settlement Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims belong to the State of California and are thus subject to claim preclusion upon entry of

the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

All Settlement Class Members who received an Individual Settlement Share payment through Defendant's Individual Settlement Program will remain bound by his or her release of claims and arbitration agreement they agreed to through that Individual Settlement Program and will not be eligible to receive an Individual Class Payment under this Settlement.

7.5.5 Aggrieved Employees will not have the right to exclude themselves from (opt-out of) receiving their pro rata share of the PAGA Penalties portion of the Net Settlement Fund, which will be based on their PAGA Pay Periods actually worked during the PAGA Membership Period (as defined above), and will have checks for their share mailed to them upon Final Approval by the Court, occurrence of the Effective Date of the Settlement, and funding of the Gross Settlement Fund Payment by Defendant. Aggrieved Employees who received an Individual Settlement Share payment through Defendant's Individual Settlement Program are also eligible to receive an Individual PAGA Payment.

7.6 Challenges to Calculations. Each Settlement Class Member and/or Aggrieved Employee shall have sixty (60) days after the Administrator mails the Class Notices (plus an additional fourteen (14) days for Class Members whose Class Notices are re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to them in the Class Notice sent to them by the Administrator. The Settlement Class Member and/or Aggrieved Employee may mount these challenges by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging individual to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice sent by the Administrator are correct so long as they are consistent with the Class Data. The Administrator's determination of each Settlement Class Member's and/or Aggrieved Employee's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge, except in connection with the Court's proceedings on Final Approval of the Settlement. The Administrator shall promptly provide copies of all challenges to the allocation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination on the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notices (plus an additional fourteen (14) days for Settlement Class Members whose Class Notices were re-mailed).

7.7.3 Non-Participating Class Members have no right to object to the Settlement.

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to provide notice and information about the Settlement to Class Members (the "Settlement Website"). The Settlement Website is to be established by the Administrator solely for purposes of the administration of the Settlement, and the domain name used for the website will be subject to Defendant's reasonable approval. Not later than the date that the Administrator must remit any funds associated with uncashed and canceled Individual Class Payment or Individual PAGA Payment checks, as set forth in Paragraph 4.3.3, the Settlement Website will be taken down. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from the Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed; Class Notices returned undelivered; Requests for Exclusion (whether valid or invalid) received; objections received; challenges to Workweeks and/or PAGA Pay Periods received and/or resolved; and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's

assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweeks and PAGA Pay Periods Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member and/or Aggrieved Employee challenges over their allocations of Workweeks and/or PAGA Pay Periods, except in connection with the Court's proceedings on Final Approval of the Settlement. In the event of such a dispute, Defendant will have the right to review Defendant's payroll and personnel records to verify the correct information. After consultation with Class Counsel, the Settlement Class Member and/or Aggrieved Employee, and Defendant, the Administrator will make a determination of the correct information, and that determination will be final, binding on the Parties and the Settlement Class Member and/or Aggrieved Employee, and non-appealable, except in connection with the Court's proceedings on Final Approval of the Settlement.

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

7.8.6 Final Calculations Prior to Disbursing Funds. Within seven (7) days after the Effective Date, the Administrator will provide Class Counsel and Defense Counsel with the following information for each Class Member: (a) whether the Settlement Class Member opted-out or objected to the Settlement; (b) the number of Workweeks used to calculate the Individual Class Payment; (c) the number of PAGA Pay Periods used to calculate the Individual PAGA Payment, if any; (d) the amount of the Individual Class Payment; and (e) the amount of the Individual PAGA Payment.

7.8.7 Final Report by Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Fund, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in

Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

7.8.8 Tax Obligations. The Administrator (and not Defendant) will remit all federal and state taxes owed by Defendant and issue all IRS Form W-2s and 1099s on all funds distributed from the Gross Settlement Fund and the Net Settlement Fund.

7.8.9 Employer-Side Payroll Taxes. The Administrator will coordinate the calculations of any necessary payroll taxes and deductions with Defendant to ensure that, to the extent such taxes and deductions are or could be deemed to have been made by the Administrator on behalf of Defendant by government taxing authorities, they are made in compliance with Defendant's tax withholding and remittance obligations for such payments.

8. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**. Based on a review of its records as of preparation for the Parties' mediation, Defendant has estimated that as of that time there were or would have been approximately 131 Settlement Class Members from the start of the Class Membership Period. However, approximately 112 of those individuals accepted a settlement offer through Defendant's Individual Settlement Program. Accordingly, there were approximately 19 Settlement Class Members, who worked an estimated 2,888 Workweeks as of the MPA Filing Date (the "Base Workweeks"), for which Defendant's Individual Settlement Program has not secured releases. Should those Base Workweeks increase by more than 15% (the "Buffer Percentage") (i.e., to more than 3,321 Workweeks; the "Total Workweeks"), Defendant may, at its option, either: (a) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Total Workweeks above the Buffer Percentage (e.g., if the number of Workweeks increases by 16%, Defendant may increase the Gross Settlement Amount by 1%), or (b) change the end date of the Class Period to an earlier date on which the Total Workweeks does not exceed the Buffer Percentage. The Workweeks of Non-Participating Class Members will not be counted in determining whether the Total Workweeks is above the Buffer Percentage

   Based on a review of its records to date, Defendant also has estimated there are at least 76 Aggrieved Employees who worked a total of 10,384 PAGA Pay Periods from the start of the PAGA Membership Period to the MPA Filing Date.

9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Settlement Class Members who did not participate in the Individual Settlement Program, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. However, Settlement Class Members who participated in the Individual Settlement Program will still be bound by their

Individual Settlement Program releases. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) court days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will—subject to Defendant's review and approval—file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under California Labor Code § 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than five (5) court days prior to filing the Motion for Final Approval with the Court. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material change to the Agreement within the meaning of this paragraph.

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment

becomes final, except as to matters that do not affect the amount of the Net Settlement Fund.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Participating Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Fund Payment remains unchanged. Further, any release secured through the Individual Settlement Program will remain valid and binding notwithstanding an appellate decision to vacate, reverse, or modify the Judgment.

11. INJUNCTION BARRING PURSUIT OF RELEASED CLAIMS. As part of the Final Approval of the Settlement, Plaintiff, Participating Class Members, the LWDA, and Aggrieved Employees shall be enjoined from filing, initiating, or continuing to prosecute any actions, claims, complaints, or proceedings in court, arbitration, with the California Division of Labor Standards Enforcement ("DLSE"), with the LWDA, or with any other entity, with respect to the claims released as described in Paragraphs 5.1 through 5.3 (and all subparagraphs thereof), above. This Settlement is conditioned upon the release by Participating Class Members, Plaintiffs, Aggrieved Employees, and the LWDA as described in Paragraphs 5.1 through 5.3 (and all subparagraphs thereof), above, and upon covenants by each of them that they will not and cannot bring or participate in any actions, lawsuits, proceedings, complaints, or charges brought individually, by the DLSE, the LWDA, or by any other agency, persons or entity in any court, arbitration or before any administrative body with respect to the claims released as described in Paragraphs 5.1 through 5.3 (and all subparagraphs thereof), above, nor will any of them contest or interfere with efforts by Defendant or by any other Released Parties to oppose any attempt to bring such Released Claims against any of them. Additionally, it is agreed herein that neither injunctive nor declaratory relief, nor any equitable relief, will be ordered by the Court against Defendant in Final Approval of the Settlement, which will otherwise be grounds for Defendant rescinding and terminating this Agreement.

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

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as

an admission by Defendant that any of the allegations in the Operative Complaint or LWDA Notice have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members after Preliminary Approval is granted in accordance with Class Counsel's ethical obligations owed to Class Members.

13.4 Publication. No information about the Action or the settlement may be posted on any of Class Counsel's websites except as expressly set forth herein without Defendant's prior written consent. Defendant consents to Class Counsel listing the case name, number, and a short description of the claims in declarations filed in court listing their prior cases to provide their qualifications to be appointed as class counsel.

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

13.6 Attorney Authorization. The Parties separately warrant and represent that they are authorized to take all appropriate action required or permitted to be taken by them pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

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

13.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by (a) an express written instrument signed by all Parties or their representatives, and approved by the Court; and/or (b) Order of the Court with the consent of the Parties in connection with granting Preliminary Approval and/or Final Approval, and without the need to provide notice thereof to the Settlement Class other than by posting a copy of the Court Order on the Administrator's website for this Settlement.

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

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

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

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

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

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

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

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

To Plaintiff:
HAINES LAW GROUP, APC
c/o Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen
Ian T. Mallery
2155 Campus Drive, Suite 180
El Segundo, CA 90245

E-Mail:
phaines@haineslawgroup.com
fschmidt@haineslawgroup.com
mmoen@haineslawgroup.com

imallery@haineslawgroup.com

To Defendant:
BAKER & HOSTETLER LLP
c/o Matthew C. Kane
Sylvia J. Kim
Amy E. Beverlin
Kerri H. Sakaue
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067

E-Mail:
mkane@bakerlaw.com
sjkim@bakerlaw.com
abeverlin@bakerlaw.com
ksakaue@bakerlaw.com

13.19 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 exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement. Moreover, DocuSign, facsimile and scanned copies of signatures shall be accepted as valid and binding. Any electronic signatures shall be applied through DocuSign, and any signatory who opts to sign this Agreement electronically shall provide the DocuSign certificate for their electronic signature(s) to the other Parties.

13.20 Severability. If any provision of this Agreement is unenforceable, for any reason, the remaining provisions will nevertheless be of full force and effect, subject to the limitations set out in Paragraphs 6.3, 9, and 10.2 regarding the effect of disapproval, termination, modification or cancellation by the Court of any material term or condition of this Agreement.

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

13.22 Advice of Counsel. The Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel. The Parties to this Agreement agree that it reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

13.23 Non-Evidentiary Use. Neither the fact of this Agreement, the existence of this Agreement, the terms of this Agreement, nor any order or action pursuant thereto may be referred to, relied upon, cited, or used as evidence by any of the Parties, Class Members, or their respective counsel in the Action or in any other action or proceeding; provided, however, that nothing contained in this section shall prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

13.24 Each Party to Bear Own Costs. Except as specifically provided herein, the Parties hereto will bear responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of or related to this Action, and will not seek reimbursement thereof from any Party to this Agreement.

EACH OF THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IT IS SO STIPULATED AND AGREED:

DATED: Nov 19, 2026

Victor Orozco (Nov 19, 2026 14:52:54 PST)

VICTOR OROZCO
Plaintiff and Proposed Class Representative

DATED: _____

FELIPE RUVALCABA
Plaintiff and Proposed Class Representative

DATED: _____

MAGNETIC COMPONENT ENGINEERING, LLC

By: _____

Name: _____

Title: _____

AGREED AND APPROVED AS TO FORM AND CONTENT:

DATED: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen

13.23 Non-Evidentiary Use. Neither the fact of this Agreement, the existence of this Agreement, the terms of this Agreement, nor any order or action pursuant thereto may be referred to, relied upon, cited, or used as evidence by any of the Parties, Class Members, or their respective counsel in the Action or in any other action or proceeding; provided, however, that nothing contained in this section shall prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

13.24 Each Party to Bear Own Costs. Except as specifically provided herein, the Parties hereto will bear responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of or related to this Action, and will not seek reimbursement thereof from any Party to this Agreement.

EACH OF THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IT IS SO STIPULATED AND AGREED:

DATED: _____

VICTOR OROZCO
Plaintiff and Proposed Class Representative

DATED: Nov 19, 2026

Felipe Ruvalcaba (Nov 19, 2026 16:20:51 PST)

FELIPE RUVALCABA
Plaintiff and Proposed Class Representative

DATED: _____

MAGNETIC COMPONENT ENGINEERING, LLC

By: _____

Name: _____

Title: _____

AGREED AND APPROVED AS TO FORM AND CONTENT:

DATED: Nov 19, 2026

HAINES LAW GROUP, APC

By: _____

Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen

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IT IS SO STIPULATED AND AGREED:

DATED: _____

_____
VICTOR OROZCO
Plaintiff and Proposed Class Representative

DATED: _____

_____
FELIPE RUVALCABA
Plaintiff and Proposed Class Representative

DATED: 11/19/26

MAGNETIC COMPONENT ENGINEERING, LLC

By: Rich Dosik
Signer ID: IJX7RT4V16...

Name: Richard Dosik

Title: Vice President

AGREED AND APPROVED AS TO FORM AND CONTENT:

DATED: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen

Ian T. Mallery

Attorneys for Plaintiffs
VICTOR OROZCO and FELIPE RUVALCABA

DATED: 11/19/2026 | 6:14 PM EST

BAKER & HOSTETLER LLP

By: DocuSigned by: A77DB75EF933433...

Matthew C. Kane
Sylvia J. Kim
Amy E. Beverlin

Attorneys for Defendant
MAGNETIC COMPONENT ENGINEERING, LLC

EXHIBIT A

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Matthew K. Moen (SBN 305956)
mmoen@haineslawgroup.com
Ian T. Mallery (SBN 359132)
imallery@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorneys for Plaintiff

[*Additional counsel on following page*]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

VICTOR OROZCO, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

MAGNETIC COMPONENT ENGINEERING, LLC, a Delaware Limited Liability Company; DEXTER MAGNETIC TECHNOLOGIES, INC., a New York Corporation; MAGNETIC HOLDINGS, LLC, a California Limited Liability Company; and DOES 1 through 100,

Defendants.

CASE NO. 24STCV29587

[Assigned for all purposes to the Hon. Timothy P. Dillon, Dept. 15]

STIPULATION FOR LEAVE TO FILE SECOND AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT FOR SETTLEMENT PURPOSES ONLY; [PROPOSED] ORDER

Action Filed: November 12, 2024
Trial Date: None Set

BAKER & HOSTETLER LLP
Matthew C. Kane, SBN 171829
Amy E. Beverlin, SBN 284745
Kerri H. Sakaue, SBN 301043
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067
Telephone: 310.820.8800
Facsimile: 310.820.8859
Email: mkane@bakerlaw.com
abeverlin@bakerlaw.com
ksakaue@bakerlaw.com

Sylvia J. Kim, SBN 258363
Transamerica Pyramid
600 Montgomery Street, Suite 3100
San Francisco, CA 94111-2806
Telephone: 415.659.2600
Facsimile: 415.659.2601
Email: sjkim@bakerlaw.com

Attorneys for Defendants
DEXTER MAGNETIC TECHNOLIGIES, INC. and MAGNETIC COMPONENT ENGINEERING, LLC

TO THE HONORABLE COURT:

Plaintiff Victor Orozco ("Plaintiff") and Defendants Magnetic Component Engineering, LLC, Dexter Magnetic Technologies, Inc., and Magnetic Holdings, LLC ("Defendants") (Plaintiff and Defendants collectively, the "Parties") by and through their respective counsel of record, hereby submit the following Stipulation to File Second Amended Class and Representative Action Complaint for Settlement Purposes Only ("Joint Stipulation") in this matter as follows:

WHEREAS, on November 12, 2024, Plaintiff filed a class action complaint against Defendants, alleging violations of California law, including: (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) failure to provide all lawful meal periods; (4) failure to issue accurate itemized wage statements; (5) failure to timely pay all final wages upon separation; and (6) unlawful business practices in violation of the Unfair Competition Law;

WHEREAS, on January 17, 2025, Plaintiff filed the First Amended Class and PAGA Complaint to add a cause of action for civil penalties under the Private Attorneys General Act based on the underlying Labor Code violations;

WHEREAS, on March 30, 2026, the Parties participated in a private mediation with Mediator Kevin Barnes and reached a settlement at the close of mediation;

WHEREAS, as a material term of the Settlement, the Parties have agreed to stipulate to the filing of a Second Amended Class and Representative Action Complaint ("SAC") for settlement purposes only, adding Mr. Felipe Ruvalcaba as a named Plaintiff in this action, and adding allegations under the California Labor code and applicable wage orders for rest period and paid sick leave violations pursuant to Cal. Labor Code §§ 226.7, 246, 516, and 558, which were investigated by Plaintiff prior to mediation and negotiated for during the Parties' mediation;

WHEREAS, upon entry of an Order permitting the filing of the proposed SAC, Plaintiff will file and serve the SAC as soon as practicable, but in any event no later than fourteen (14) calendars after the Court's entry of an Order permitting said filing.

NOW, THEREFORE, Plaintiff and Defendants, by and through their undersigned counsel of record, stipulate to the following and respectfully request that the Court enter an order:

1. That Plaintiff be granted conditional leave to file the SAC attached hereto as **Exhibit A**, for settlement purposes only and subject to the Court granting Preliminary Approval and Final Approval thereof, no later than fourteen (14) calendar days after the Court approves this stipulation;

2. That the SAC be deemed to relate back to the date of the filing of the original Complaint in this action, for settlement purposes only and subject to the Court granting Preliminary Approval and Final Approval thereof;

3. That Defendants' deadline to file a responsive pleading to the SAC be stayed pending the Court ruling on Plaintiffs' Motion for Preliminary Approval and Motion for Final Approval of the parties' settlement, and that Defendants be deemed to have generally and specifically denied all allegations in the SAC; and

4. That should, for whatever reason, the parties' settlement not become final, the SAC shall be deemed stricken, null, and void *ab initio* without further order of the Court, with the previously filed First Amended Complaint remaining the operative pleading.

IT IS SO STIPULATED.

Respectfully submitted,

Dated: November 18, 2026 HAINES LAW GROUP, APC

By: _____

Matthew K. Moen
Attorneys for Plaintiff

Dated: November 18, 2026 BAKER & HOSTETLER LLP

By: _____

Matthew C. Kane
Attorneys for Defendants

[PROPOSED] ORDER

The Court, having read and considered Plaintiff Victor Orozco ("Plaintiff") and Defendants Magnetic Component Engineering, LLC, Dexter Magnetic Technologies, Inc., and Magnetic Holdings, LLC's ("Defendants") Joint Stipulation for leave to File Second Amended Class Action and PAGA Complaint for Settlement Purposes Only (the "Stipulation"), and finding good cause, hereby ORDERS as follows:

1. Plaintiff shall be and hereby is granted conditional leave to file the Second Amended Complaint ("SAC") attached as Exhibit A to the Stipulation for settlement purposes only and subject to the Court granting Preliminary Approval and Final Approval thereof, no later than fourteen (14) calendar days after the Court approves this stipulation;
2. The SAC shall be and hereby is deemed to relate back to the date of the filing of the original Complaint filed in this action, for settlement purposes only and subject to the Court granting Preliminary Approval and Final Approval thereof;
3. Defendants' deadline to file a responsive pleading to the SAC shall be and hereby is stayed pending the Court ruling on Plaintiffs' Motion for Preliminary Approval and Motion for Final Approval of the parties' settlement, and Defendants shall be and hereby is deemed to have generally and specifically denied all allegations in the SAC; and
4. Should, for whatever reason, the parties' settlement not become final, the SAC shall be deemed stricken, null, and void *ab initio* without further order of the Court, with the previously filed First Amended Complaint remaining the operative pleading.

IT IS SO ORDERED.

Dated: _____

_____
Hon. Timothy P. Dillon
Judge of the Superior Court

EXHIBIT A

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Matthew K. Moen (SBN 305956)
mmoen@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorney for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

VICTOR OROZCO and FELIPE RUVALCABA, as individuals and on behalf of all others similarly situated,

Plaintiffs,

vs.

MAGNETIC COMPONENT ENGINEERING, LLC, a Delaware Limited Liability Company; DEXTER MAGNETIC TECHNOLOGIES, INC., a New York Corporation; MAGNETIC HOLDINGS, LLC, a California Limited Liability Company; and DOES 1 through 100,

Defendants.

Case No.: 24STCV29587

SECOND AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT:

(1) FAILURE TO PAY ALL MINIMUM WAGES (LABOR CODE §§ 1182.12, 1194, 1194.2, 1197);

(2) FAILURE TO PAY ALL OVERTIME WAGES (LABOR CODE §§ 204, 510, 558, 1194, 1198);

(3) MEAL PERIOD VIOLATIONS (LABOR CODE §§ 226.7, 512, 558);

(4) WAGE STATEMENT VIOLATIONS (LABOR CODE § 226 *et seq.*);

(5) WAITING TIME PENALTIES (LABOR CODE §§ 201-203);

(6) UNFAIR COMPETITION (BUS & PROF CODE § 17200 *et seq.*);

(7) CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 *et seq.*); and

(8) REST PERIOD VIOLATIONS (LABOR CODE §§ 226.7, 516, 558).

DEMAND FOR JURY TRIAL
UNLIMITED CIVIL CASE

Plaintiffs VICTOR OROZCO and FELIPE RUVALCABA ("Plaintiffs") on behalf of themselves and all others similarly situated, hereby bring this Second Amended Class and Representative Action Complaint against Magnetic Component Engineering, LLC, a Delaware Limited Liability Company, Dexter Magnetic Technologies, Inc., a New York Corporation, Magnetic Holdings, LLC, a California Limited Liability Company, and DOES 1 to 100, inclusive (collectively "Defendants"), and on information and belief alleges as follows:

JURISDICTION

1. Plaintiffs, on behalf of themselves and all others similarly situated, hereby bring this action for recovery of unpaid wages and penalties under California Labor Code §§ 201-204, 226 *et seq.*, 226.7, 246, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, and 2698 *et seq*., California Business and Professions Code § 17200 *et seq*., and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"), in addition to seeking declaratory relief and restitution. This action is brought pursuant to California Code of Civil Procedure § 382. This Court has jurisdiction over Defendants' violations of the California Labor Code because the amount in controversy exceeds this Court's jurisdictional minimum.

VENUE

2. Venue is proper in this judicial district pursuant to California Code of Civil Procedure §§ 395(a) and 395.5, as at least some of the acts and omissions complained of herein occurred in the County of Los Angeles. Defendants own, maintain offices, transact business, have an agent or agents within the County of Los Angeles, and/or otherwise are found within the County of Los Angeles, and Defendants are within the jurisdiction of this Court for purposes of service of process.

PARTIES

3. Plaintiffs are individuals over the age of eighteen (18). At all relevant times herein, Plaintiffs were and currently are, California residents. During the four years immediately preceding the filing of this action and within the statute of limitations periods applicable to each cause of action pled herein, Plaintiffs were employed by Defendants as non-exempt employees. Plaintiffs were, and are, victims of Defendants' policies and/or practices complained of herein,

lost money and/or property, and have been deprived of the rights guaranteed by Labor Code §§ 201-204, 226 *et seq.*, 226.7, 246, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, and 2698 *et seq.*, California Business and Professions Code § 17200 *et seq.* ("Unfair Competition Law"), and Wage Order 1, which sets employment standards for the manufacturing industry.

4. Plaintiffs are informed and believe, and based thereon allege, that during the four years preceding the filing of this action and continuing to the present, Defendants did (and continue to do) business within the County of Los Angeles and the State of California operating permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California, and therefore, were (and are) doing business in the County of Los Angeles and the State of California.

5. Plaintiffs do not know the true names or capacities, whether individual, partner, or corporate, of the defendants sued herein as DOES 1 to 100, inclusive, and for that reason, said defendants are sued under such fictitious names, and Plaintiffs will seek leave from this Court to further amend this Complaint when such true names and capacities are discovered. Plaintiffs are informed, and believe, and based thereon allege, that each of said fictitious defendants, whether individual, partners, or corporate, were responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiffs and the Classes (as defined herein) to be subject to the unlawful employment practices, wrongs, injuries and damages complained of herein.

6. Plaintiffs are informed and believe, and based thereon allege, that at all times mentioned herein, Defendants were and are the employers of Plaintiffs and all members of the Classes.

7. At all times herein mentioned, each of said Defendants participated in the doing of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, the Defendants, and each of them, were the agents, servants, and employees of each and every one of the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned were acting within the course and scope of said agency and employment. Defendants, and each of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or omissions complained of herein.

8. At all times mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture, partnership, and common enterprise, and acting within the course and scope of and in pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiffs allege that all Defendants were joint employers for all purposes of Plaintiffs and all members of the Classes.

GENERAL FACTUAL ALLEGATIONS

9. Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California. Plaintiff Orozco was employed by Defendants as a non-exempt CNC Machinist at Defendants' Torrance, CA location from approximately July 2017, until August 7, 2024. Plaintiff Orozco's primary job duties include operating and maintaining Computer Numerically Controlled (CNC) machines to create magnetic components. Plaintiff Ruvalcaba was employed by Defendants as a non-exempt Assembly Operator at Defendants' Torrance, CA location from approximately May 9, 2022 to June 7, 2026. Plaintiff Ruvalcaba's primary job duties included inspecting and marking magnetic components to ensure quality control.

10. Throughout Plaintiffs' employment with Defendants, Defendants have failed to pay Plaintiffs and other non-exempt employees for all hours actually worked, due to Defendants' unlawful rounding and/or time-shaving policies and/or practices. Specifically, Defendants required Plaintiffs and other non-exempt employees to clock-in and out through an electronic timekeeping system which recorded Plaintiffs' and other non-exempt employees' clock-in and clock-out time punches to the minute. However, the electronic timekeeping system used by Defendants rounded Plaintiffs' and other non-exempt employees' total hours worked to the nearest quarter-hour. Defendants' timekeeping policies/practices were not even handed and have resulted in Plaintiffs and other non-exempt employees not being compensated for all hours worked. Further, on occasions when Plaintiffs worked over eight hours in a workday and/or forty hours in a workweek, Defendants' timekeeping policies/practices deprived them of additional overtime wages earned. Due to Defendants' timekeeping policies/practices that fail to compensate

for all hours worked, Plaintiffs and other non-exempt employees were not compensated for all required minimum and overtime wages.

11. Throughout Plaintiffs' employment, Defendants have failed to provide Plaintiffs and other non-exempt employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants required Plaintiffs and other non-exempt employees to begin their meal break after the fifth hour of work. On those occasions when Defendants failed to provide Plaintiffs and other non-exempt employees with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Plaintiffs and other non-exempt employees with an additional hour of premium pay at the employees' regular rate of pay for each workday there was a meal period violation, as mandated by Labor Code § 226.7.

12. Defendants pay Plaintiffs and other non-exempt employees "Bonus" and/or other forms of pay that are not excludable from an employee's "regular rate" of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Bonus Pay"). However, Defendants failed to properly incorporate the value of all earned Bonus Pay into the employees' regular rate of compensation when paying meal period premiums, instead paying these wages at the base rate of pay, thereby underpaying Plaintiffs' and other non-exempt employees' meal period premiums under Labor Code § 226.7. *See Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be synonymous with "regular rate of pay" in Labor Code § 510, and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.). As a result, Defendants have failed to pay Plaintiffs and other non-exempt employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

13. Defendants failed to pay Plaintiffs and other non-exempt employees all overtime wages owed to them. Defendants' policies and practices dictate that overtime payments be made and one and one-half times an employee's base rate of pay, as opposed to their regular rate of

pay. Because Plaintiffs and other non-exempt employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Plaintiffs and other non-exempt employees have not been paid all overtime wages owed to them.

14. Defendants regularly failed to authorize and permit Plaintiffs and other non-exempt employees to take ***any*** duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. In the event Plaintiffs and other non-exempt employees were able to take their rest periods, Defendants failed to authorize and permit rest periods for a "net" of 10 minutes. Under California law, Defendants are required to authorize and permit a "net" rest period of 10 minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.,* Division of Labor Standards Enforcement Manual ("DLSE Manual") § 45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual §45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). Despite Defendants' failure to provide Plaintiffs and other non-exempt employees with all rest periods to which they were legally entitled. Defendants never provided Plaintiffs and other non-exempt employees with an hour of Pay at their regular rate for each rest period violation as required by Labor Code § 226.7.

15. Defendants also failed to pay Plaintiffs and other non-exempt employees all sick pay wages owed to them. Defendants' policies and practices dictate that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Plaintiffs and other non-exempt employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Plaintiffs and other non-exempt employees have not been paid all sick pay wages owed to them.

16. As a result of Defendants' failure to accurately compensate Plaintiffs and other non-exempt employees for all minimum and overtime wages, all meal period premium wages, all

rest periods, and sick pay wages, Defendants have maintained inaccurate payroll records and failed to issue accurate itemized wage statements.

17. As a result of Defendants' failure to compensate Plaintiffs and other non-exempt employees for all minimum and overtime wages, meal period premium wages, rest period premium wages, and sick pay wages, Defendants have failed to pay Plaintiffs and other non-exempt employees all wages owed at the time of their separation of employment with Defendants.

CLASS ACTION ALLEGATIONS

18. **Class Definitions**: Plaintiffs brings this action on behalf of themselves and the following Classes pursuant to § 382 of the Code of Civil Procedure:

a. The Minimum Wage Class consists of all of Defendants' current and former non-exempt employees in California who were subject to Defendants' timekeeping policies and/or practices, during the four years immediately preceding the filing of this action through the present.

b. The Overtime Class consists of all of Defendants' current and former non-exempt employees in California who worked more than 8.0 hours per day and/or 40.0 hours per week and were subject to Defendants' timekeeping policies and/or practices, during the four years immediately preceding the filing of this action through the present.

c. The Meal Period Class consists of all of Defendants' current and former non-exempt employees in California who: (i) worked at least one shift in excess of 5.0 hours; and/or (ii) worked at least one shift in excess of 10.0 hours; and/or (iii) earned Bonus Pay and received a meal period premium during the same time period, during the four years immediately preceding the filing of this action through the present.

d. The Rest Period Class consists of all of Defendants' current and former non-exempt employees in California who worked at least one shift in excess of 3.5 hours, during the four years immediately preceding the filing of this action through the present.

e. The Wage Statement Class consists of all members of the Overtime Class, Minimum Wage Class, Meal Period Class, and/or Rest Period Class who received a wage statement from Defendants during the one year immediately preceding the filing of this action through the present.

f. The Waiting Time Class consists of all members of the Overtime Class, Minimum Wage Class, Meal Period Class, and/or Rest Period Class who separated their employment from Defendants during the three years immediately preceding the filing of the action through the present.

19. **Numerosity/Ascertainability**: The members of the Classes are so numerous that joinder of all members would be unfeasible and not practicable. The membership of the Classes is unknown to Plaintiffs at this time; however, it is estimated that the members of the Classes number greater than three hundred (300) individuals. The identity of such membership is readily ascertainable via inspection of Defendants' employment records.

20. **Common Questions of Law and Fact Predominate/Well Defined Community of Interest**: There are common questions of law and fact as to Plaintiffs and all other similarly situated non-exempt employees, which predominate over questions affecting only individual members including, without limitation to:

i. Whether Defendants paid all minimum wages owed to members of the Minimum Wage Class for all hours worked pursuant to Labor Code §§ 1182.12, 1194, 1194.2 and 1197;

ii. Whether Defendants lawfully paid premium wages for all overtime hours worked to members of the Overtime Class pursuant to Labor Code §§ 204, 510, 558, 1194 and 1198;

iii. Whether Defendants provided all legally compliant meal periods to members of the Meal Period Class pursuant to Labor Code §§ 226.7 and 512;

iv. Whether Defendants correctly paid meal period premium payments for non-compliant meal periods pursuant to Labor Code § 226.7;

v. Whether Defendants furnished legally compliant wage statements to members of

the Wage Statement Class pursuant to Labor Code § 226;

vi. Whether Defendants maintained unlawful policies and/or practices for the timing and amount of payment of final wages to Plaintiffs and members of the Waiting Time Class pursuant to Labor Code §§ 201-203;

vii. Whether Defendants authorized and permitted all lawful rest periods to members of the Rest Period Class pursuant to Labor Code §§ 226.7 and 516; and

viii. Whether Defendants paid all sick pay wages pursuant to Labor Code § 246.

21. **Predominance of Common Questions**: Common questions of law and fact predominate over questions that affect only individual members of the Classes. The common questions of law set forth above are numerous and substantial and stem from Defendants' policies and/or practices applicable to each individual class member, such as Defendants' uniform minimum and overtime wage policies/practices, meal and rest period policies and practices, meal and rest premium payment policies/practices, and final wage payment practices. As such, common questions predominate over individual questions concerning each individual class member's showing as to their eligibility for recovery or as to the amount of their damages.

22. **Typicality**: Plaintiffs' claims are typical of the claims of the Classes because Plaintiffs were employed by Defendants as non-exempt employees in California during the statute(s) of limitations period applicable to each cause of action pled in the action. As alleged herein, Plaintiffs, like the members of the Classes, were deprived of all minimum and overtime wages owed, were not provided all required meal periods, did not receive meal period premium wages at their regular rate of pay for missed or non-compliant meal periods, were not authorized and permitted to take all required rest periods, did not receive accurate wage statements, and did not receive all final wages owed to them upon their separation of employment with Defendants.

23. **Adequacy of Representation**: Plaintiffs are fully prepared to take all necessary steps to represent fairly and adequately the interests of the members of the Classes. Moreover, Plaintiffs' attorneys are ready, willing and able to fully and adequately represent the members of the Classes and Plaintiffs' attorneys have prosecuted and defended numerous wage-and-hour

class actions in state and federal courts in the past and are committed to vigorously prosecuting this action on behalf of the members of the Classes.

24. **Superiority**: The California Labor Code is broadly remedial in nature and serves an important public interest in establishing minimum working conditions and standards in California. These laws and labor standards protect the average working employee from exploitation by employers who have the responsibility to follow the laws and who may seek to take advantage of superior economic and bargaining power in setting onerous terms and conditions of employment. The nature of this action and the format of laws available to Plaintiffs and members of the Classes make the class action format a particularly efficient and appropriate procedure to redress the violations alleged herein. If each employee were required to file an individual lawsuit, Defendants would necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the limited resources of each individual plaintiff with their vastly superior financial and legal resources. Moreover, requiring each member of the Classes to pursue an individual remedy would also discourage the assertion of lawful claims by employees who would be disinclined to file an action against their former and/or current employer for real and justifiable fear of retaliation and permanent damages to their careers at subsequent employment. Further, the prosecution of separate actions by the individual class members, even if possible, would create a substantial risk of inconsistent or varying verdicts or adjudications with respect to the individual class members against Defendants herein; and which would establish potentially incompatible standards of conduct for Defendants; and/or legal determinations with respect to individual class members which would, as a practical matter, be dispositive of the interest of the other class members not parties to adjudications or which would substantially impair or impede the ability of the class members to protect their interests. Further, the claims of the individual members of the Classes are not sufficiently large to warrant vigorous individual prosecution considering all of the concomitant costs and expenses attending thereto. As such, the Classes identified herein are maintainable as a Class under § 382 of the Code of Civil Procedure.

/ / /

FIRST CAUSE OF ACTION

MINIMUM WAGE VIOLATIONS

(AGAINST ALL DEFENDANTS)

25. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

26. Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. At all relevant times herein, Defendants failed to conform their pay practices to the requirements of the law by failing to pay Plaintiffs and members of the Minimum Wage Class for all hours worked, including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

27. California Labor Code § 1198 makes unlawful the employment of an employee under conditions that the IWC prohibits. California Labor Code §§ 1194(a) and 1194.2(a) provide that an employer who has failed to pay its employees the legal minimum wage is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages due and interest thereon.

28. As a direct and proximate result of Defendants' non-payment of minimum wages, Plaintiffs and members of the Minimum Wage Class have sustained economic damages, including, but not limited to unpaid wages and lost interest, in an amount to be established at trial pursuant to Wage Order 1 and California Labor Code § 1199; interest pursuant to California Labor Code §§ 218.6 and 1194 and Civil Code §§ 3287 and 3289; liquidated damages pursuant to California Labor Code § 1194.2; attorneys' fees and costs of suit pursuant to California Labor Code § 1194 *et seq.*; and damages and/or penalties pursuant to California Labor Code § 558(a).

29. The foregoing policies/practices are unlawful and create an entitlement to recovery by Plaintiffs and members of the Minimum Wage Class in a civil action for the unpaid amount of

minimum wages, liquidated damages, including interest thereon, statutory penalties, civil penalties, attorney's fees, and costs of suit according to California Labor Code §§ 204, 210, 216, 558, 1194, 1194.2, and 1198, and Code of Civil Procedure § 1021.5.

SECOND CAUSE OF ACTION

FAILURE TO PAY ALL OVERTIME WAGES

(AGAINST ALL DEFENDANTS)

30. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

31. This of action is brought pursuant to Labor Code §§ 204, 510, 558, 1194, and 1198, which provide that non-exempt employees are entitled to all overtime wages and compensation for all overtime hours worked and provide a private right of action for the failure to pay all overtime compensation for overtime work performed.

32. At all relevant times, Defendants were required to properly pay Plaintiffs and members of the Overtime Class for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3(A) requires an employer to pay an employee "one and one-half (1½) times such employee's regular rate of pay" for work in excess of 8 hours per work day and/or in excess of 40 hours in a workweek. Labor Code § 510 and Wage Order 1, § 3 also require an employer to pay an employee double the employee's regular rate of work in excess of 12 hours each workday and/or any work in excess of eight (8) hours on the seventh day of the workweek. As alleged herein, Defendants caused Plaintiffs and the members of the Overtime Class to work overtime and/or double-time hours but did not properly compensate Plaintiffs and the members of the Overtime Class at one and one-half times their regular rate of pay (or double-time, in the case of double-time hours) for such hours.

33. The foregoing policies and practices are unlawful and create entitlement to recovery by Plaintiffs and the Overtime Class members in a civil action for the unpaid amount of overtime premiums owing, including interest thereon, statutory penalties, attorneys' fees, and costs of suit according to California Labor Code §§ 204, 210, 216, 218.6, 510, 558, 1194, and 1198; Code of Civil Procedure § 1021.5; and Civil Code §§ 3287 and 3289.

/ / /

THIRD CAUSE OF ACTION

MEAL PERIOD VIOLATIONS

(AGAINST ALL DEFENDANTS)

34. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

35. Plaintiffs are informed and believe, and based thereon alleges, that Defendants failed in their affirmative obligation to provide all of their non-exempt employees in California, including Plaintiffs and members of the Meal Period Class, with all legally compliant meal periods in accordance with the mandates of the California Labor Code and Wage Order 1, § 11, for the reasons set forth in the factual allegations and class definitions sections of this Complaint. Despite Defendants' violations, Defendants did not pay an additional hour of premium pay to Plaintiffs and members of the Meal Period Class at their respective regular rates of pay, in accordance with California Labor Code §§ 226.7 and 512.

36. As a result, Defendants are responsible for paying premium compensation for meal period violations, including interest thereon, statutory penalties, civil penalties, and costs of suit, pursuant to Labor Code §§ 226.7, 512, and 558, Wage Order 1, and Code of Civil Procedure § 1021.5.

FOURTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

(AGAINST ALL DEFENDANTS)

37. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

38. Plaintiffs are informed and believe, and based thereon alleges, that Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Plaintiffs and members of the Wage Statement Class with wage statements that complied with the requirements of Labor Code § 226(a).

39. Defendants' failure to furnish Plaintiffs and members of the Wage Statement Class with compliant wage statements resulted in actual injury, as said failures rendered Plaintiffs and members of the Wage Statement Class unable to readily ascertain the information on their wage statements.

40. Defendants' failures create an entitlement to recovery by Plaintiffs and members of the Wage Statement Class in a civil action for all damages and/or penalties pursuant to Labor Code § 226 *et seq*., including statutory penalties, civil penalties, reasonable attorneys' fees, and costs of suit according to California Labor Code § 226 *et seq*.

FIFTH CAUSE OF ACTION

WAITING TIME PENALTIES

(AGAINST ALL DEFENDANTS)

41. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

42. This cause of action is brought pursuant to Labor Code §§ 201-203, which require an employer to pay all wages immediately at the time of separation of employment in the event the employer discharges the employee, or the employee provides at least 72 hours of notice of their intent to quit. In the event the employee provides less than 72 hours of notice of their intent to quit, said employee's wages become due and payable not later than 72 hours upon said employee's last date of employment.

43. Further, Plaintiffs are informed and believes, and based thereon alleges, that as a matter of uniform policy and practice, Defendants continue to fail to pay Plaintiffs and members of the Waiting Time Class all earned wages at the end of employment in a timely manner pursuant to the requirements of Labor Code §§ 201-203.

44. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Plaintiffs and the members of the Waiting Time Class their earned wages upon separation from employment results in a continued payment of wages up to thirty days from the time the wages were due.

45. Therefore, Plaintiffs and members of the Waiting Time Class are entitled to compensation pursuant to Labor Code § 203, plus reasonable attorneys' fees and costs of suit.

SIXTH CAUSE OF ACTION

UNFAIR COMPETITION

(AGAINST ALL DEFENDANTS)

46. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

47. Defendants have engaged and continue to engage in unfair and/or unlawful business practices in California in violation of California Business and Professions Code § 17200 *et seq*. by, amongst other things, failing to pay Plaintiffs and the Classes all minimum and overtime wages owed; failing to pay all meal period premium wages owed; knowingly failing to furnish accurate itemized wage statements; and knowingly failing to pay all final wages at the time of separation of employment.

48. Defendants' utilization of these unfair and/or unlawful business practices deprived Plaintiffs, and continues to deprive members of the Classes, of compensation to which they are legally entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage over Defendants' competitors who have been and/or are currently employing workers and attempting to do so in honest compliance with applicable wage and hour laws.

49. Because Plaintiffs are victims of Defendants' unfair and/or unlawful conduct alleged herein, Plaintiffs, for themselves and on behalf of the members of the Classes, seeks full restitution of monies as necessary and according to proof to restore any and all monies withheld, acquired and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

50. The acts complained of herein occurred within the last four years immediately preceding the filing this action.

51. Plaintiffs were compelled to retain the services of counsel to file this court action to protect his interests and those of the Classes, to obtain restitution and injunctive relief on behalf of Defendants' current non-exempt employees, and to enforce important rights affecting the public interest. Plaintiffs have thereby incurred the financial burden of attorneys' fees and costs, which he is entitled to recover under Code of Civil Procedure § 1021.5.

SEVENTH CAUSE OF ACTION

PRIVATE ATTORNEYS GENERAL ACT

(AGAINST ALL DEFENDANTS)

52. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

53. Defendants have committed several Labor Code violations against Plaintiffs, members of the Classes, and other aggrieved employees. Plaintiffs, an "aggrieved employee" within the meaning of Labor Code § 2698 *et seq*., acting on behalf of themselves and other aggrieved employees, brings this representative action against Defendants to recover the civil penalties due to Plaintiffs, the members of the Classes, other aggrieved employees, and the State of California according to proof pursuant to Labor Code §§ 558 and 2699 (a) and (f) including, but not limited to: (1) $100.00 for each initial violation for each failure to pay each employee and $200 for each subsequent violation or willful or intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus 25% of the amount unlawfully withheld; (2) $50.00 for each initial violation and $100 for each subsequent violation pursuant to Labor Code § 558 per employee pay period; (3) $100.00 for each initial violation and $250.00 for each subsequent violation pursuant to Labor Code § 1197.1 per employee per pay period; (4) $250.00 for each initial violation and $1,000.00 for each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; and/or (5) $100.00 for each initial violation and $200 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided, based on the following Labor Code violations:

a. Failing to pay Plaintiffs and other aggrieved employees the statutory minimum wage for all hours worked in violation of Labor Code §§ 1182.12, 1194, 1194.2, and 1197;

b. Failing to pay Plaintiffs and other aggrieved employees all overtime compensation earned in violation of Labor Code §§ 204, 510, 558, 1194 and 1198;

c. Failing to provide, authorize and permit meal and rest periods as required by law and failing to pay meal and rest period premiums to Plaintiffs and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations in violation of Labor Code §§ 226.7, 512, 516 and 558;

d. Failing to furnish Plaintiffs and other aggrieved employees with accurate and

compliant itemized wage statements in violation of Labor Code § 226;

e. Failing to timely pay all final wages due to Plaintiffs and other aggrieved employees in violation of Labor Code §§ 201-203;

f. Failing to pay Plaintiffs and other aggrieved employees sick time pay at their regular rate of compensation in violation of Labor Code § 246;

g. Failing to maintain accurate records on behalf of Plaintiffs and aggrieved employees in violation Labor Code §§ 558 and 1174;

h. Failing to pay Plaintiffs and other aggrieved employees all wages earned at least twice during each calendar month in violation Labor Code § 204; and

i. Failing to pay Plaintiffs and other aggrieved employees all sick pay wages owed in violation of Labor Code § 246.

54. On November 12, 2024, Plaintiff Orozco notified Defendants via certified mail, and notified the California Labor and Workforce Development Agency ("LWDA") via its website, of Defendants' violations of the California Labor Code and Plaintiff Orozco's intent to bring a claim for civil penalties under California Labor Code § 2698 *et seq*. with respect to the violations of the California Labor Code identified in Paragraph 53 (a)-(h). Now that sixty-five days have passed from Plaintiff Orozco notifying Defendants and the LWDA of these violations, and the LWDA has not provided notice that it intends to investigate the violations, Plaintiff Orozco has exhausted his administrative requirements for bringing a claim under the Private Attorneys General Act with respect to these violations.

55. Based on the foregoing, Plaintiff Orozco seeks to represent himself and all Aggrieved Employees, as defined by Labor Code § 2699(c), which includes all of Defendants' current and former employees who worked for Defendants in California at any time between November 12, 2023, and the present.

56. Plaintiffs were compelled to retain the services of counsel to file this court action to protect his interests and the interests of other aggrieved employees, and to assess and collect

the civil penalties owed by Defendants. Plaintiffs have thereby incurred attorneys' fees and costs, which he is entitled to receive under California Labor Code § 2699(g).

EIGHTH CAUSE OF ACTION

REST PERIOD VIOLATIONS

(AGAINST ALL DEFENDANTS)

57. Plaintiffs re-allege and incorporate by reference all previous paragraphs.

58. Wage Order 16, § 11 and Labor Code §§ 226.7 and 516 establish the right of employees to be provided with a rest period of at least ten (10) minutes for each four (4) hour period worked, or major fraction thereof.

59. As alleged herein, and due to Defendants' unlawful rest period policies and/or practices, Defendants failed to authorize and permit Plaintiffs and members of the Rest Period Class to take all paid rest periods to which they were legally entitled. Despite Defendants' violations, Defendants failed to pay an additional hour of premium pay to Plaintiffs and members of the Rest Period Class at their respective regular rates of pay for each violation, as required by California Labor Code § 226.7.

60. The foregoing violations create an entitlement to recovery by Plaintiffs and members of the Rest Period Class in a civil action for the unpaid amount of rest period premiums owing, including interest thereon, statutory penalties, civil penalties, and costs of suit according to Labor Code §§ 226.7, 516, and 558, Wage Order 16, and Code of Civil Procedure § 1021.5.

PRAYER

WHEREFORE, Plaintiffs pray for judgment for themselves and for all others on whose behalf this suit is brought against Defendants, as follows:

1. For an order certifying the proposed Classes;

2. For an order appointing Plaintiffs as representatives of the Classes;

3. For an order appointing Counsel for Plaintiffs as Counsel for the Classes;

4. Upon the First Cause of Action, for payment of minimum wages, liquidated damages, and penalties owed according to proof pursuant to Labor Code §§ 1182.12, 1194, 1194.2, 1197, and 1198;

5. Upon the Second Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code §§ 204, 510, 558, 1194, and 1198;

6. Upon the Third Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code §§ 226.7, 512 and 558;

7. Upon the Fourth Cause of Action, for statutory penalties pursuant to Labor Code § 226 *et seq*.;

8. Upon the Fifth Cause of Action, for statutory waiting time penalties pursuant to Labor Code §§ 201-203.

9. Upon the Sixth Cause of Action, for restitution to Plaintiffs and members of the Classes of all money and/or property unlawfully acquired by Defendants by means of any acts or practices declared by this Court to be in violation of California Business and Professions Code § 17200 *et seq*.;

10. Upon the Seventh Cause of Action, for civil penalties due to Plaintiffs, other aggrieved employees, and the State of California according to proof pursuant to Labor Code §§ 558 and 2699(a) and (f) including, but not limited to: (1) $100.00 for each initial violation for each failure to pay each employee and $200 for each subsequent violation or willful or intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus 25% of the amount unlawfully withheld; (2) $50.00 for each initial violation and $100 for each subsequent violation pursuant to Labor Code § 558 per employee per pay period; (3) $100.00 for each initial violation and $250.00 for each subsequent violation pursuant to Labor Code § 1197.1 per employee per pay period; (4) $250.00 for each initial violation and $1,000.00 for each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; and/or (5) $100.00 for each initial violation and $200 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided, based on the Labor Code violations identified in Paragraph 53 (a)-(i);

11. Upon the Eighth Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code sections 226.7, 516, and 558;

12. Prejudgment interest on all due and unpaid wages pursuant to California Labor Code § 218.6 and Civil Code §§ 3287 and 3289;

13. On all causes of action, for attorneys' fees and costs as provided by Labor Code §§ 218.5, 226, 1194 *et seq*., and 2698 *et seq*., and Code of Civil Procedure § 1021.5; and

14. For such other and further relief the Court may deem just and proper.

Respectfully submitted,

Dated: November 18, 2026

HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial with respect to all issues triable by jury.

Respectfully submitted,

Dated: November 18, 2026 HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Attorneys for Plaintiffs

EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 16, 2026

VIA LWDA WEBSITE

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

Re: *Victor Orozco, et al. v. Magnetic Component Engineering, LLC, et al.*
LWDA Case no. *LWDA-CM-1061254-24*
Amended Notice of Violations

To Whom It May Concern:

Please be advised that this law firm represents Victor Orozco ("Mr. Orozco") in claims arising from his employment with Magnetic Component Engineering, LLC, a Delaware Limited Liability Company; Dexter Magnetic Technologies, Inc., a New York Corporation; Magnetic Holdings, LLC, a California Limited Liability Company; and Does 1 through 100 ("Defendants"). This letter is intended to amend Mr. Orozco's previous letter, submitted November 11, 2024, by adding claims for Defendants' failure to authorize and permit compliant rest periods. Mr. Orozco's previous letter to the Labor and Workforce Development Agency ("LWDA") is attached hereto as Exhibit A and incorporated by reference.

Mr. Orozco is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California. Mr. Orozco was employed by Defendants as a non-exempt CNC Machinist at Defendants' Torrance, CA location from approximately July 2017, until August 7, 2024. Mr. Orozco's primary job duties include operating and maintaining Computer Numerically Controlled (CNC) machines to create magnetic components.

Throughout Mr. Orozco's employment with Defendants, Defendants failed to pay Mr. Orozco and other aggrieved employees for all hours actually worked, due to Defendants' unlawful rounding and/or time-shaving policies and/or practices. Specifically,

Defendants required Mr. Orozco and other aggrieved employees to clock-in and out through an electronic timekeeping system which recorded Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' clock-in and clock-out time punches to the minute. However, the electronic timekeeping system used by Defendants rounded Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' total hours worked to the nearest quarter-hour. Defendants' timekeeping policies/practices were not even handed and have resulted in Mr. Orozco, Mr. Ruvalcaba's, and other aggrieved employees not being compensated for all hours worked. Further, on occasions when Mr. Orozco and aggrieved employees worked over eight hours in a workday and/or forty hours in a workweek, Defendants' timekeeping policies/practices deprived them of additional overtime wages earned. Due to Defendants' timekeeping policies/practices that fail to compensate for all hours worked, Mr. Orozco and other aggrieved employees were not compensated for all required minimum and overtime wages.

Throughout Mr. Orozco's employment, Defendants have failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants required Mr. Orozco and other aggrieved employees to begin their meal break after the fifth hour of work. On those occasions when Defendants failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Mr. Orozco and other aggrieved employees with an additional hour of premium pay at the employee's regular rate of pay for each workday there was a meal period violation, as mandated by Labor Code § 226.7.

Defendants regularly failed to authorize and permit Mr. Orozco and other aggrieved employees to take any duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. In the event Mr. Orozco and other aggrieved employees were able to take their rest periods, Defendants failed to authorize and permit rest periods for a "net" of 10 minutes. Under California law, Defendants are required to authorize and permit a "net" rest period of 10 minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.*, Division of Labor Standards Enforcement Manual ("DLSE Manual") § 45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). Despite Defendants' failure to provide Mr. Orozco and other aggrieved employees with all rest periods to which they were legally entitled, Defendants never provided Mr. Orozco and other aggrieved employees with an hour of pay at their regular rate for each rest period violation as required by Labor Code § 226.7.

Defendants pay Mr. Orozco and other aggrieved employees "Bonus" and/or other forms of pay that are not excludable from an employee's "regular rate" of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Bonus Pay"). However, Defendants failed to properly incorporate the value of all earned Bonus Pay into the employees' regular rate of compensation when paying meal period premiums, instead paying these wages at the base rate of pay, thereby underpaying Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' meal period premiums under Labor Code § 226.7. See *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be synonymous with "regular rate of pay" in Labor Code § 510, and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.). As a result, Defendants have failed to pay Mr. Orozco and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants failed to pay Mr. Orozco and other aggrieved employees all overtime wages owed to them. Defendants' policies and practices dictate that overtime payments be made and one and one-half times an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all overtime wages owed to them.

Defendants also failed to pay Mr. Orozco and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictate that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to accurately compensate Mr. Orozco and other aggrieved employees for all minimum and overtime wages, all meal and rest period premium wages, and sick pay wages, Defendants have maintained inaccurate payroll records and failed to issue accurate itemized wage statements.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount

equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Orozco and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

Overtime Wage Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Mr. Orozco and other aggrieved employees to work overtime hours but did not compensate Mr. Orozco or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Orozco and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Mr. Orozco and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Orozco and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation

of Labor Code § 226 *et seq*. Defendants' failures in furnishing Mr. Orozco and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Mr. Orozco and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Mr. Orozco and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

Sick Time Pay Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Mr. Orozco and other aggrieved employees at their base rate of pay but did not compensate Mr. Orozco or other aggrieved employees at their regular rate of pay for all such hours.

As an "aggrieved employee", Mr. Orozco has initiated a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Orozco's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Orozco and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Mr. Orozco and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Orozco and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

e. Defendants violated Labor Code § 226 by failing to furnish Mr. Orozco and other aggrieved employees with accurate and compliant itemized wage statements;

f. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Mr. Orozco and other aggrieved employees;

g. Defendants violated Labor Code § 246 by failing to pay Mr. Orozco and other aggrieved employees sick time pay at their regular rate of compensation;

h. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Mr. Orozco and aggrieved employees; and

i. Defendants violated Labor Code § 204 by failing to pay Mr. Orozco and other aggrieved employees all wages earned at least twice during each calendar month.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt

cc: Magnetic Component Engineering, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Dexter Magnetic Technologies, Inc., Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Magnetic Holdings, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

EXHIBIT C

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

VICTOR OROZCO and FELIPE RUVALCABA, as individuals and on behalf of all others similarly situated, Plaintiffs, vs. MAGNETIC COMPONENT ENGINEERING, LLC, a Delaware Limited Liability Company; DEXTER MAGNETIC TECHNOLOGIES, INC., a New York Corporation; MAGNETIC HOLDINGS, LLC, a California Limited Liability Company; and DOES 1 through 100, Defendants.	Case No. 24STCV29587 **NOTICE OF CLASS ACTION AND PAGA SETTLEMENT**

To: All individuals who are or were employed by Magnetic Component Engineering, LLC ("Defendant") as non-exempt employees in California between November 12, 2020 and <<the MPA Filing Date>> (the "Class Period").

PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

You may be entitled to money from this Settlement. Defendant's records show that you were employed by Defendant as a non-exempt employee in California between November 12, 2020 and <<the MPA Filing Date>> (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the class and representative action lawsuit identified at the top of this page ("Lawsuit"), to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment. Notice of the final judgment will be posted online at <<ADMIN WEBSITE URL>>.

What is this case about?

Plaintiff Victor Orozco brought this Lawsuit against Defendant and the two additional entities identified at the top of this page (collectively, the "Defendants"), asserting claims on behalf of all Class Members. Pursuant to the Settlement, Plaintiffs filed the operative Second Amended Complaint adding Felipe Ruvalcaba as a named plaintiff. Plaintiffs Victor Orozco and Felipe Ruvalcaba ("Plaintiffs") are known as the "Class Representatives," and Plaintiffs' attorneys, who also represent the interests of all Class Members, are known as "Class Counsel."

In the Lawsuit, Plaintiffs allege that Defendant failed to pay all minimum wages, failed to pay all overtime wages, failed to provide all meal periods, failed to authorize and permit all rest periods, f, failed to provide accurate itemized wage statements, failed to timely pay all wages owed upon separation of employment, and violated California's Unfair Competition Law. Plaintiffs also seek civil penalties under the Private Attorneys General Act ("PAGA") for the same conduct, as well as for failure to pay sick pay at the regular rate of pay, failure to maintain accurate records, and failure to timely pay wages during employment.

Defendants deny that they have done anything wrong. Defendants deny that they owe Class Members any wages,

restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendants, which expressly deny all liability.

The Court has not ruled on the merits of Plaintiffs' claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in their best interests and the interests of Class Members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after a full-day mediation with an experienced wage and hour mediator, Kevin T. Barnes, Esq., on March 30, 2026, and further negotiations between the parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs and Class Members:

HAINES LAW GROUP, APC
Paul K. Haines
phaines@haineslawgroup.com
Fletcher W. Schmidt
fschmidt@haineslawgroup.com
Matthew K. Moen
mmoen@haineslawgroup.com
Ian T. Mallery
imallery@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Defendants:

BAKER & HOSTETLER LLP
Matthew C. Kane
mkane@bakerlaw.com
Sylvia J. Kim
sjkim@bakerlaw.com
Amy E. Beverlin
abeverlin@bakerlaw.com
Kerri H. Sakaue
ksakaue@bakerlaw.com
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class – for settlement purposes only – of all individuals who are or were employed by Defendant as non-exempt employees in California between November 12, 2020 and <<the MPA Filing Date>>, excluding anyone who has filed their own separate action as a named plaintiff alleging the same or similar claims being released by the Settlement and/or who has previously released such claims. Class Members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant, as described below in the "Release" section.

Pursuant to the Settlement, $157,000.00 is the "Gross Settlement Fund" to fully resolve all claims in the Lawsuit, including payments to Class Members and Aggrieved Employees, attorneys' fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency ("LWDA") for its share of PAGA civil penalties, and the Class Representatives' Service Payments. The Gross Settlement Fund includes a payment credit of approximately $37,000.00 that Defendant already paid to certain Class Members through its Individual Settlement Program, which Defendant conducted from February 2026 to March 2026. Accordingly,

Defendant will pay the remaining $120,000.00 (the "Gross Settlement Fund Payment"). Defendant will fund the Gross Settlement Fund Payment within fifteen (15) court days after the Effective Date (defined below). **It is imperative that you notify the Settlement Administrator of any changes to your address that take place prior to the disbursement in order to avoid any delays in receiving your payment.**

The following deductions from the Gross Settlement Fund Payment will be requested by the parties:

Settlement Administration Costs. The Court has approved Apex Class Action, LLC to function as the "Settlement Administrator," who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to $5,750.00 from the Gross Settlement Fund to pay the settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Fund. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third (1/3) of the Gross Settlement Fund (which is currently estimated to be $52,333.33) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel will also ask for reimbursement of up to $33,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representatives' Service Payments. Class Counsel will ask the Court to award up to $5,000.00 to each of the Class Representatives as a Class Representative Service Payment. This is meant to compensate Plaintiffs for initiating the Lawsuit and for the service and extra work provided on behalf of the Class Members.

PAGA Payment to the State of California. The parties have agreed to allocate $5,000.00 of the Gross Settlement Fund as PAGA civil penalties. Per Labor Code § 2699(i), 65% of such penalties ($3,250.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 35% ($1,750.00) will be payable to the individuals with PAGA standing, i.e., all Class Members who worked for Defendant as non-exempt employees in California from November 12, 2023 through November 11, 2026 (the "PAGA Period") (the "Aggrieved Employees").

Calculation of Class Members' Individual Class Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Fund Payment will form the Net Settlement Fund, which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion (described below) and who did not receive a payment through Defendant's Individual Settlement Program. The settlement funds will be divided as follows:

(i) The 35% share of PAGA civil penalties ($1,750.00) will be distributed to Aggrieved Employees proportionally based on the number of pay periods that he or she worked during the PAGA Period compared to the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. These amounts will be known as Individual PAGA Payments. Aggrieved Employees who received a payment through Defendant's Individual Settlement Program are also eligible to receive an Individual PAGA Payment.

(ii) The Net Settlement Fund will be distributed to each Class Member who does not opt-out and who did not receive a payment through Defendant's Individual Settlement Program ("Participating Class Member") based on the number of workweeks that he or she worked during the Class Period compared to the total number of workweeks worked by all Participating Class Members during the Class Period. Class Members who received a payment through Defendant's Individual Settlement Program will remain bound by the release they agreed to through that program and will not receive an Individual Class Payment.

Individual Class Payments to Class Members. Within 10 business days after Defendant deposits the Gross Settlement Fund Payment with the Settlement Administrator, the Settlement Administrator will mail Individual Class Payments and Individual PAGA Payments. Each Participating Class Member who receives an Individual Class Payment must cash that check within 180 days from the date the Settlement Administrator mails it. The Settlement Administrator will transmit the funds from any checks not cashed within the 180-day check cashing deadline to the California State

Controller's Unclaimed Property Fund in your name, where you may claim them.

If any settlement checks are returned to the Settlement Administrator as non-delivered, the Settlement Administrator shall conduct a "skip trace" to obtain an updated mailing address, and shall re-mail the settlement checks to the updated mailing addresses within seven (7) days of receiving the returned settlement check.

Allocation and Taxes. Each Individual Class Payment will be allocated as 10% wages, 45% penalties, and 45% interest. The Settlement Administrator will be responsible for issuing to Participating Class Members an IRS Form W-2 (for amounts paid as wages) and IRS Form 1099 (for amounts paid as penalties and interest). Payments made to Aggrieved Employees for their portion of the Individual PAGA Payments will be attributed 100% to penalties and paid via an IRS Form 1099. The Settlement Administrator will be responsible for calculating and withholding all employee-share employment taxes and other legally required withholdings from the wage portion of each Individual Class Payment.

Release. If the Court approves the Settlement, each Participating Class Member, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will release Defendants and any of Defendants' respective present and former parents, subsidiaries, successors, and affiliated companies or entities (including Dexter Magnetic Technologies, Inc., Magnetic Holdings, LLC and Permag Corp.), and their respective directors, employees, officers, partners, shareholders, owners, agents, attorneys, insurers, and assigns (collectively, "Released Parties") of any and all allegations, claims, debts, rights, demands, charges, complaints, actions, causes of action, guarantees, costs, expenses, attorneys' fees, economic damages, non-economic damages, restitution, civil penalties, statutory penalties, liquidated damages, punitive damages, interest, obligations, liabilities, or other monies and remedies, of any and every kind, contingent or accrued, that have been or reasonably could have been alleged or asserted in the Complaints and/or any of the other pleadings filed in the matter titled *Victor Orozco v. Magnetic Component Engineering, LLC, et al.*, Los Angeles County Superior Court Case No. 24STCV29587 (including the Second Amended Complaint), based on the facts and/or legal violations alleged therein, and in any notice Plaintiffs sent to the LWDA pursuant to PAGA based on the facts and theories alleged in such notice, during the Class Period. This includes, but is not limited to, claims for statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief for violations of the California Labor Code, California Industrial Welfare Commission Wage Orders, and California Business and Professions Code § 17200, *et seq*., and claims for or based on any type of unpaid minimum, overtime or other wages; failure to provide compliant meal or rest periods and/or meal or rest break premiums at the regular rate of pay; failure to pay any wages timely or at all during and/or upon termination of employment; failure to provide accurate itemized wage statements; failure to pay sick time pay at the regular rate of pay; failure to maintain accurate records; and derivative violations of the California Unfair Competition Law (the "Released Class Claims"). Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring after the date of Final Approval of the Settlement. This release will become effective when Defendant fully funds the Gross Settlement Fund Payment and the Judgment is final.

All Aggrieved Employees, regardless of whether they opt-out of the class action portion of the Settlement, will release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties accrued during the PAGA Period that (1) were alleged, or that reasonably could have been alleged based on the violations, facts and/or theories asserted, in the Complaints and/or Plaintiff Victor Orozco's November 12, 2024 notice letter to the LWDA, as amended ("PAGA Notice"), and/or (2) were ascertained in the course of the Lawsuit through the date of Final Approval of the Settlement ("Released PAGA Claims"). The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. This release will become effective when Defendant fully funds the Gross Settlement Fund Payment and the Judgment is final.

The "Effective Date". The Settlement shall become effective: (a) sixty-five (65) days after entry of the Court's Final Approval Order and Judgment, so long as no appeals are filed; or (b) if a timely appeal of the Court's Final Approval Order has been filed, thirty (30) days after the final disposition of all appellate proceedings and the exhaustion of any applicable time to seek further appellate review ("Effective Date").

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Class Payment (unless you received a payment through Defendant's Individual Settlement Program) and, if you are an Aggrieved Employee, your Individual PAGA Payment, which have been calculated for you based on the formulas set forth above. You also will be bound by the Settlement, including the release of claims stated above.

According to Defendant's records:

(a) You have worked _____ qualifying workweeks between November 12, 2020 and <<the MPA Filing Date>>.

(b) You worked _____ qualifying pay periods between November 12, 2023 and <<the MPA Filing Date>>.

Based on the above, your Individual Class Payment is estimated to be $_____ and your Individual PAGA Payment is estimated to be $_____.

What other options do I have?

Dispute Workweeks or Pay Periods Information. Your award is based on the proportionate number of workweeks that you worked during the Class Period and the number of pay periods that you worked during the PAGA Period. The information contained in Defendant's records regarding this information, along with your estimated Individual Class Payment and Individual PAGA Payment, is set forth above. If you dispute the above information from Defendant's records, those records will be presumed correct unless you are able to provide documentation that establishes that Defendant's records are mistaken. If there is a dispute about whether Defendant's information or yours is accurate, the Settlement Administrator will resolve the dispute after consultation with Class Counsel, you, and Defendant, and its determination will be final, except subject to review by the Court in connection with its proceedings on Final Approval of the Settlement. In the absence of any contrary documentation, the Settlement Administrator is entitled to presume that the workweeks and pay periods set forth above are correct so long as they are consistent with Defendant's records. Any disputes, along with supporting documentation, must be faxed, emailed, or postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator by fax, email, or mail a signed letter that reasonably communicates your election to be excluded, faxed, emailed, or postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, email address or telephone number, and your signature. The Settlement Administrator will accept a Request for Exclusion as valid if it can reasonably ascertain your identity as a Class Member and your desire to be excluded.

Send the Request for Exclusion directly to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Class Member, will be barred from participating in the class action portion of the Settlement, and shall receive no benefits from the class action portion of the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

The Settlement Administrator's determination of the validity of a Request for Exclusion shall be final and not appealable or otherwise susceptible to challenge, except subject to review by the Court in connection with its proceedings on Final Approval of the Settlement. Class Members who received a payment through Defendant's Individual Settlement Program will remain bound by the release agreement they agreed to through that program, regardless of whether they submit a Request for Exclusion.

Aggrieved Employees may not opt-out of the release of Released PAGA Claims and will thus receive payment for their share of PAGA civil penalties even if they request exclusion from the class action portion of the Settlement and do not receive a class portion of their Individual Class Payment. Aggrieved Employees will be bound by the release in the above mentioned "Released PAGA Claims," regardless of whether they cash their checks for their share of PAGA civil penalties.

Objecting to the Settlement. If you are a Participating Class Member, you also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it (with the exception of the PAGA Settlement, which you may not object to), you may send your written objection to the Settlement Administrator by fax, email, or mail at <<ADMINISTRATOR CONTACT INFO>>. Your written objection should include your name, address, and your signature, along with a description of the nature and basis of each objection to the Settlement. Objections should be in writing and must be faxed, emailed, or postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 15 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 N. Spring St., Los Angeles, CA 90012. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing to object to the settlement, whether or not you submit a written objection. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional 14 calendar days after <<RESPONSE DEADLINE>> to opt-out, object, or dispute their Settlement Payment. As such, this adjusted deadline shall end on <<RESPONSE DEADLINE + 14 CALENDAR DAYS>>.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 15 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 N. Spring St., Los Angeles, CA 90012. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the service payments to the Class Representatives, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing.**

The Settlement Administrator will post the following documents on its website: i) the operative complaint; ii) the PAGA notice letter to the LWDA (Plaintiff Victor Orozco's letter to the LWDA dated November 12, 2024, as amended); iii) the Settlement Agreement and any amendments; iv) the Notice Packet; v) the orders granting Preliminary and Final Approval; vi) and the Final Judgment and Order. The Settlement Administrator will post the above documents at the following website address: <<ADMINISTRATOR WEBSITE INFO>>.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may view the online docket for this case by visiting the Los Angeles County Superior Court website at <<COURT WEBSITE>> and entering the case number (24STCV29587). You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<**RESPONSE DEADLINE**>>.

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 12, 2024

VIA LWDA WEBSITE

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

Re: *Victor Orozco v. Magnetic Component Engineering, LLC, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Victor Orozco ("Mr. Orozco") in claims arising from his employment with Magnetic Component Engineering, LLC, a Delaware Limited Liability Company; Dexter Magnetic Technologies, Inc., a New York Corporation; Magnetic Holdings, LLC, a California Limited Liability Company; and Does 1 through 100 ("Defendants"). Mr. Orozco is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California. Mr. Orozco was employed by Defendants as an aggrieved CNC Machinist at Defendants' Torrance, CA location from approximately July 2017, until August 7, 2024. Mr. Orozco's primary job duties include operating and maintaining Computer Numerically Controlled (CNC) machines to create magnetic components.

Throughout Mr. Orozco's employment with Defendants, Defendants have failed to pay Mr. Orozco and other aggrieved employees for all hours actually worked, due to Defendants' unlawful rounding and/or time-shaving policies and/or practices. Specifically, Defendants required Mr. Orozco and other aggrieved employees to clock-in and out through an electronic timekeeping system which recorded Mr. Orozco's and other aggrieved employees' clock-in and clock-out time punches to the minute. However, the electronic timekeeping system used by Defendants rounded Mr. Orozco's and other aggrieved employees' total hours worked to the nearest quarter-hour. Defendants' timekeeping policies/practices were not even handed and have resulted in Mr. Orozco and other aggrieved employees not being compensated for all hours worked. Further, on

occasions when Mr. Orozco worked over eight hours in a workday and/or forty hours in a workweek, Defendants' timekeeping policies/practices deprived him of additional overtime wages earned. Due to Defendants' timekeeping policies/practices that fail to compensate for all hours worked, Mr. Orozco and other aggrieved employees were not compensated for all required minimum and overtime wages.

Throughout Mr. Orozco's employment, Defendants have failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants required Mr. Orozco and other aggrieved employees to begin their meal break after the fifth hour of work. On those occasions when Defendants failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Mr. Orozco and other aggrieved employees with an additional hour of premium pay at the employee's regular rate of pay for each workday there was a meal period violation, as mandated by Labor Code § 226.7.

Defendants pay Mr. Orozco and other aggrieved employees "Bonus" and/or other forms of pay that are not excludable from an employee's "regular rate" of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Bonus Pay"). However, Defendants failed to properly incorporate the value of all earned Bonus Pay into the employees' regular rate of compensation when paying meal period premiums, instead paying these wages at the base rate of pay, thereby underpaying Mr. Orozco's and other aggrieved employees' meal period premiums under Labor Code § 226.7. See *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be synonymous with "regular rate of pay" in Labor Code § 510, and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.). As a result, Defendants have failed to pay Mr. Orozco and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants failed to pay Mr. Orozco and other aggrieved employees all overtime wages owed to them. Defendants' policies and practices dictate that overtime payments be made and one and one-half times an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all overtime wages owed to them.

Defendants also failed to pay Mr. Orozco and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictate that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be

included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to accurately compensate Mr. Orozco and other aggrieved employees for all minimum and overtime wages, all meal period premium wages, and sick pay wages, Defendants have maintained inaccurate payroll records and failed to issue accurate itemized wage statements.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Orozco and members of the Minimum Wage Class for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

Overtime Wage Violations

Defendants were required to properly pay Mr. Orozco and members of the Overtime Class for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Mr. Orozco and other aggrieved employees to work overtime hours but did not compensate Mr. Orozco or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Orozco and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional

hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Orozco and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq*. Defendants' failures in furnishing Mr. Orozco and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Mr. Orozco and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Mr. Orozco and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

Sick Time Pay Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Mr. Orozco and other aggrieved employees at their base rate of pay but did not compensate Mr. Orozco or other aggrieved employees at their regular rate of pay for all such hours.

As an "aggrieved employee", Mr. Orozco will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil

penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Orozco's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Orozco and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Mr. Orozco and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code § 226 by failing to furnish Mr. Orozco and other aggrieved employees with accurate and compliant itemized wage statements;

e. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Mr. Orozco and other aggrieved employees;

f. Defendants violated Labor Code § 246 by failing to pay Mr. Orozco and other aggrieved employees sick time pay at their regular rate of compensation;

g. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Mr. Orozco and aggrieved employees; and

h. Defendants violated Labor Code § 204 by failing to pay Mr. Orozco and other aggrieved employees all wages earned at least twice during each calendar month.

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Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt

cc: Magnetic Component Engineering, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Dexter Magnetic Technologies, Inc., Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Magnetic Holdings, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

UNITED STATES POSTAL SERVICE

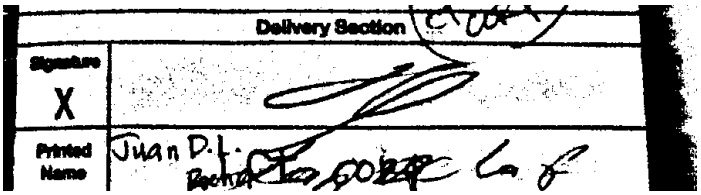
Mailer: Haines Law Group

Date Produced: 11/18/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8387 8612 34. Our records indicate that this item was delivered on 11/15/2024 at 01:53 p.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

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GLENDALE CA 91203-2304

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Date Produced: 11/18/2024

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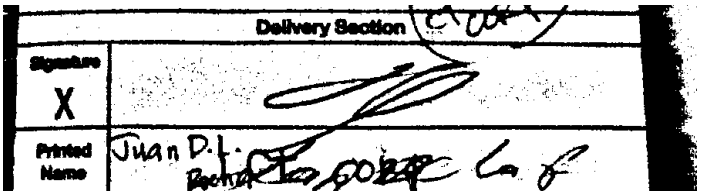

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AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
300 N BRAND BLVD
GLENDALE CA 91203-2304

Customer Reference Number: C5450007.33030516

Return Reference Number VC

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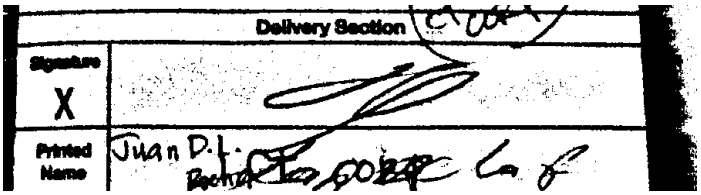

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Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
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The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

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DEXTER MAGNETIC TECHNOLOGIES INC
AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
300 N BRAND BLVD
GLENDALE CA 91203-2304

Customer Reference Number: C5450007.33030517

Return Reference Number VC

EXHIBIT 3

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 20, 2026

VIA LWDA WEBSITE

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

Re: *Victor Orozco, et al. v. Magnetic Component Engineering, LLC, et al.*
LWDA Case no. *LWDA-CM-1061254-24*
Amended Notice of Violations

To Whom It May Concern:

Please be advised that this law firm represents Victor Orozco ("Mr. Orozco") in claims arising from his employment with Magnetic Component Engineering, LLC, a Delaware Limited Liability Company; Dexter Magnetic Technologies, Inc., a New York Corporation; Magnetic Holdings, LLC, a California Limited Liability Company; and Does 1 through 100 ("Defendants"). This letter is intended to amend Mr. Orozco's previous letter, submitted November 11, 2024, by adding claims for Defendants' failure to authorize and permit compliant rest periods. Mr. Orozco's previous letter to the Labor and Workforce Development Agency ("LWDA") is attached hereto as Exhibit A and incorporated by reference.

Mr. Orozco is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California. Mr. Orozco was employed by Defendants as a non-exempt CNC Machinist at Defendants' Torrance, CA location from approximately July 2017, until August 7, 2024. Mr. Orozco's primary job duties include operating and maintaining Computer Numerically Controlled (CNC) machines to create magnetic components.

Throughout Mr. Orozco's employment with Defendants, Defendants failed to pay Mr. Orozco and other aggrieved employees for all hours actually worked, due to Defendants' unlawful rounding and/or time-shaving policies and/or practices. Specifically,

Defendants required Mr. Orozco and other aggrieved employees to clock-in and out through an electronic timekeeping system which recorded Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' clock-in and clock-out time punches to the minute. However, the electronic timekeeping system used by Defendants rounded Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' total hours worked to the nearest quarter-hour. Defendants' timekeeping policies/practices were not even handed and have resulted in Mr. Orozco, Mr. Ruvalcaba's, and other aggrieved employees not being compensated for all hours worked. Further, on occasions when Mr. Orozco and aggrieved employees worked over eight hours in a workday and/or forty hours in a workweek, Defendants' timekeeping policies/practices deprived them of additional overtime wages earned. Due to Defendants' timekeeping policies/practices that fail to compensate for all hours worked, Mr. Orozco and other aggrieved employees were not compensated for all required minimum and overtime wages.

Throughout Mr. Orozco's employment, Defendants have failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants required Mr. Orozco and other aggrieved employees to begin their meal break after the fifth hour of work. On those occasions when Defendants failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Mr. Orozco and other aggrieved employees with an additional hour of premium pay at the employee's regular rate of pay for each workday there was a meal period violation, as mandated by Labor Code § 226.7.

Defendants regularly failed to authorize and permit Mr. Orozco and other aggrieved employees to take any duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. In the event Mr. Orozco and other aggrieved employees were able to take their rest periods, Defendants failed to authorize and permit rest periods for a "net" of 10 minutes. Under California law, Defendants are required to authorize and permit a "net" rest period of 10 minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.*, Division of Labor Standards Enforcement Manual ("DLSE Manual") § 45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). Despite Defendants' failure to provide Mr. Orozco and other aggrieved employees with all rest periods to which they were legally entitled, Defendants never provided Mr. Orozco and other aggrieved employees with an hour of pay at their regular rate for each rest period violation as required by Labor Code § 226.7.

Defendants pay Mr. Orozco and other aggrieved employees "Bonus" and/or other forms of pay that are not excludable from an employee's "regular rate" of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Bonus Pay"). However, Defendants failed to properly incorporate the value of all earned Bonus Pay into the employees' regular rate of compensation when paying meal period premiums, instead paying these wages at the base rate of pay, thereby underpaying Mr. Orozco's, Mr. Ruvalcaba's, and other aggrieved employees' meal period premiums under Labor Code § 226.7. See *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be synonymous with "regular rate of pay" in Labor Code § 510, and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.). As a result, Defendants have failed to pay Mr. Orozco and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants failed to pay Mr. Orozco and other aggrieved employees all overtime wages owed to them. Defendants' policies and practices dictate that overtime payments be made and one and one-half times an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all overtime wages owed to them.

Defendants also failed to pay Mr. Orozco and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictate that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to accurately compensate Mr. Orozco and other aggrieved employees for all minimum and overtime wages, all meal and rest period premium wages, and sick pay wages, Defendants have maintained inaccurate payroll records and failed to issue accurate itemized wage statements.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount

equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Orozco and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

Overtime Wage Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Mr. Orozco and other aggrieved employees to work overtime hours but did not compensate Mr. Orozco or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Orozco and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Mr. Orozco and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Orozco and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation

of Labor Code § 226 *et seq*. Defendants' failures in furnishing Mr. Orozco and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Mr. Orozco and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Mr. Orozco and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

Sick Time Pay Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Mr. Orozco and other aggrieved employees at their base rate of pay but did not compensate Mr. Orozco or other aggrieved employees at their regular rate of pay for all such hours.

As an "aggrieved employee", Mr. Orozco has initiated a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Orozco's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Orozco and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Mr. Orozco and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Orozco and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

e. Defendants violated Labor Code § 226 by failing to furnish Mr. Orozco and other aggrieved employees with accurate and compliant itemized wage statements;

f. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Mr. Orozco and other aggrieved employees;

g. Defendants violated Labor Code § 246 by failing to pay Mr. Orozco and other aggrieved employees sick time pay at their regular rate of compensation;

h. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Mr. Orozco and aggrieved employees; and

i. Defendants violated Labor Code § 204 by failing to pay Mr. Orozco and other aggrieved employees all wages earned at least twice during each calendar month.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt

cc: Magnetic Component Engineering, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Dexter Magnetic Technologies, Inc., Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Magnetic Holdings, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

EXHIBIT A

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 12, 2024

VIA LWDA WEBSITE

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

Re: *Victor Orozco v. Magnetic Component Engineering, LLC, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Victor Orozco ("Mr. Orozco") in claims arising from his employment with Magnetic Component Engineering, LLC, a Delaware Limited Liability Company; Dexter Magnetic Technologies, Inc., a New York Corporation; Magnetic Holdings, LLC, a California Limited Liability Company; and Does 1 through 100 ("Defendants"). Mr. Orozco is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate permanent magnet and magnetic assembly designing and manufacturing facilities, including a location in Torrance, California. Mr. Orozco was employed by Defendants as an aggrieved CNC Machinist at Defendants' Torrance, CA location from approximately July 2017, until August 7, 2024. Mr. Orozco's primary job duties include operating and maintaining Computer Numerically Controlled (CNC) machines to create magnetic components.

Throughout Mr. Orozco's employment with Defendants, Defendants have failed to pay Mr. Orozco and other aggrieved employees for all hours actually worked, due to Defendants' unlawful rounding and/or time-shaving policies and/or practices. Specifically, Defendants required Mr. Orozco and other aggrieved employees to clock-in and out through an electronic timekeeping system which recorded Mr. Orozco's and other aggrieved employees' clock-in and clock-out time punches to the minute. However, the electronic timekeeping system used by Defendants rounded Mr. Orozco's and other aggrieved employees' total hours worked to the nearest quarter-hour. Defendants' timekeeping policies/practices were not even handed and have resulted in Mr. Orozco and other aggrieved employees not being compensated for all hours worked. Further, on

occasions when Mr. Orozco worked over eight hours in a workday and/or forty hours in a workweek, Defendants' timekeeping policies/practices deprived him of additional overtime wages earned. Due to Defendants' timekeeping policies/practices that fail to compensate for all hours worked, Mr. Orozco and other aggrieved employees were not compensated for all required minimum and overtime wages.

Throughout Mr. Orozco's employment, Defendants have failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants required Mr. Orozco and other aggrieved employees to begin their meal break after the fifth hour of work. On those occasions when Defendants failed to provide Mr. Orozco and other aggrieved employees with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Mr. Orozco and other aggrieved employees with an additional hour of premium pay at the employee's regular rate of pay for each workday there was a meal period violation, as mandated by Labor Code § 226.7.

Defendants pay Mr. Orozco and other aggrieved employees "Bonus" and/or other forms of pay that are not excludable from an employee's "regular rate" of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Bonus Pay"). However, Defendants failed to properly incorporate the value of all earned Bonus Pay into the employees' regular rate of compensation when paying meal period premiums, instead paying these wages at the base rate of pay, thereby underpaying Mr. Orozco's and other aggrieved employees' meal period premiums under Labor Code § 226.7. See *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be synonymous with "regular rate of pay" in Labor Code § 510, and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee.). As a result, Defendants have failed to pay Mr. Orozco and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants failed to pay Mr. Orozco and other aggrieved employees all overtime wages owed to them. Defendants' policies and practices dictate that overtime payments be made and one and one-half times an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all overtime wages owed to them.

Defendants also failed to pay Mr. Orozco and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictate that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Orozco and other aggrieved employees receive Bonus Pay that is required to be

included when calculating their respective regular rates of pay, but were not, Mr. Orozco and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to accurately compensate Mr. Orozco and other aggrieved employees for all minimum and overtime wages, all meal period premium wages, and sick pay wages, Defendants have maintained inaccurate payroll records and failed to issue accurate itemized wage statements.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Minimum Wage Violations

Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Orozco and members of the Minimum Wage Class for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

Overtime Wage Violations

Defendants were required to properly pay Mr. Orozco and members of the Overtime Class for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Mr. Orozco and other aggrieved employees to work overtime hours but did not compensate Mr. Orozco or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Orozco and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Orozco and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional

hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Orozco and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq*. Defendants' failures in furnishing Mr. Orozco and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Mr. Orozco and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Mr. Orozco and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

Sick Time Pay Violations

Defendants were required to properly pay Mr. Orozco and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Mr. Orozco and other aggrieved employees at their base rate of pay but did not compensate Mr. Orozco or other aggrieved employees at their regular rate of pay for all such hours.

As an "aggrieved employee", Mr. Orozco will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil

penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Orozco's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Orozco and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Mr. Orozco and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Orozco and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code § 226 by failing to furnish Mr. Orozco and other aggrieved employees with accurate and compliant itemized wage statements;

e. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Mr. Orozco and other aggrieved employees;

f. Defendants violated Labor Code § 246 by failing to pay Mr. Orozco and other aggrieved employees sick time pay at their regular rate of compensation;

g. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Mr. Orozco and aggrieved employees; and

h. Defendants violated Labor Code § 204 by failing to pay Mr. Orozco and other aggrieved employees all wages earned at least twice during each calendar month.

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///
///

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt

cc: Magnetic Component Engineering, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Dexter Magnetic Technologies, Inc., Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

Magnetic Holdings, LLC, Amanda Garcia, 300 N Brand Blvd, Ste 700 Glendale, CA 91203, agent for service of process (via certified mail)

UNITED STATES POSTAL SERVICE

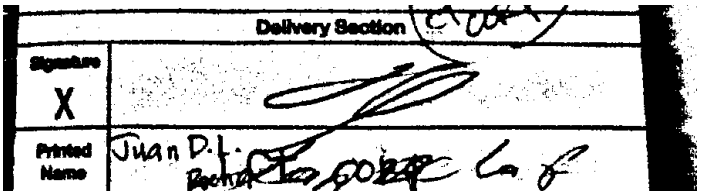
Mailer: Haines Law Group

Date Produced: 11/18/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8387 8612 34. Our records indicate that this item was delivered on 11/15/2024 at 01:53 p.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :



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Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

MAGNETIC HOLDINGS LLC
AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
300 N BRAND BLVD
GLENDALE CA 91203-2304

Customer Reference Number:	C5450007.33030515
Return Reference Number	VC

UNITED STATES POSTAL SERVICE

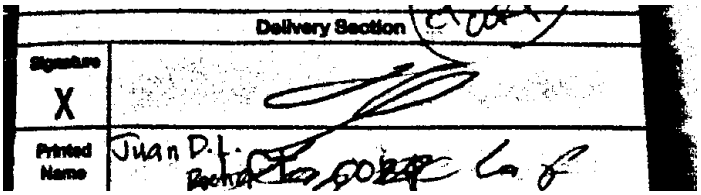
Mailer: Haines Law Group

Date Produced: 11/18/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8387 8614 25. Our records indicate that this item was delivered on 11/15/2024 at 01:53 p.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

MAGNETIC COMPONENT ENGINEERING LLC
AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
300 N BRAND BLVD
GLENDALE CA 91203-2304

Customer Reference Number: C5450007.33030516

Return Reference Number VC

UNITED STATES POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 11/18/2024

ConnectSuite Inc.:

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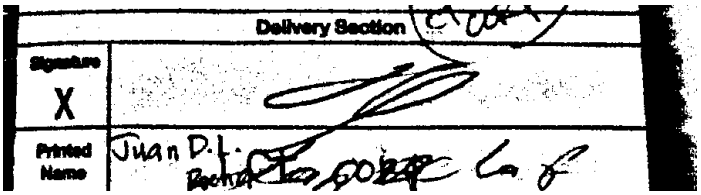
Signature of Recipient :



Address of Recipient :



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This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

DEXTER MAGNETIC TECHNOLOGIES INC
AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
300 N BRAND BLVD
GLENDALE CA 91203-2304

Customer Reference Number: C5450007.33030517

Return Reference Number VC

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

State of California
Labor and Workforce Development Agency /
Department of Industrial Relations

Private Attorneys General Act (PAGA) - Filing

Amended PAGA Claim Notice

PAGA Number (LWDA-CM-) : * 1061254-24

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXXX-XX".
Search for PAGA Case number

Your Information (Attorney or Employee - Whoever is Filing)

Your First Name * Fletcher

Your Last Name * Schmidt

Your Email Address * jramirez@haineslawgroup.

Your Street Name, Number and Suite/Apt * 2155 Campus Drive, Suite

Your Mobile Phone Numer

Your City * El Segundo

Your Work Phone Number 424-292-2350

Your State * California

Your Zip/Postal Code * 90245

Amended Notice Detail

Please provide the details of the amendments to the original notice. *

- [x] Adding additional claims
- [ ] Adding additional corporate defendants
- [ ] Adding additional Individual/Sole proprietor defendants
- [ ] Adding additional plaintiffs
- [ ] Other (please specify)

Notice Violations - Check All that Apply *

- [ ] Child Labor
- [ ] Misclassification Employee Classified as Contractor
- [ ] Misclassification NonExempt Classified as Exempt
- [ ] Minimum Wage
- [ ] Overtime
- [ ] Not paid for all hours worked
- [ ] Not paid wages due on termination
- [ ] Other Unpaid Wages
- [ ] Tips or Gratuities
- [ ] Payment or Reimbursement of Employee Expenses
- [ ] Improper Form of Payment Including NSF Checks
- [ ] Kickbacks
- [x] Meal and Rest Breaks
- [ ] Sick Leave
- [ ] Lactation Accommodation (Labor Code 1030-1033)
- [ ] Not providing required time off, other
- [ ] Pay Discrimination on basis of sex, (Labor Code 1197.5)
- [ ] No Wage Statements
- [ ] Improper or Incomplete Wage Statements
- [ ] Other Notice or Posting or Recordkeeping
- [ ] Public Works (Labor Code 1720 - 1815)
- [ ] Apprenticeship (Labor Code 3070 - 3098)
- [ ] Occupational Safety and Health (Labor Code 6300 et seq)
- [ ] No Workers' Compensation
- [ ] Licensing, Registration, or Permit
- [ ] Unfair Immigration Activities
- [ ] Agricultural Labor Relations
- [ ] Industrial Homework
- [ ] Retaliation for Protected Status or Activity (Specify)
- [ ] Other

Child Labor - Specify Ages

PAGA Claim Type – Check All that Apply *

PAGA Claim Type – Check All that Apply *

- [x] Notice asserts one or more Labor Code violations listed in Labor Code 2699.5– not curable subject to 2699.3(a)
- [ ] Notice asserts one or more OSHA violations subject to requirements of 2699.3(b)
- [ ] Includes one or more violations not listed in Labor Code 2699.5 – curable subject to 2699.3(c)

Other PAGA Notices

Search for PAGA Case number

- [x] I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my Amended PAGA Claim Notice.

- (●) No, there are no other PAGA claims against the employer(s) named in my Amended PAGA Claim Notice.
- ( ) Yes, other PAGA claims are listed on the website, or I am aware of other PAGA claims against the employer(s) named in my Amended PAGA Claim Notice.

Amended Notice

Amended Notice *

Choose File 2026-10-30 … Ltr (Final).pdf

Other Attachment (if any) (must be a .pdf)

Choose File No file chosen

Add Another Attachment

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

- [x] **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

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The submit button will be disabled until you complete the CAPTCHA.

Previous Page Submit

From: DIR PAGA Unit
To: Jonathan Ramirez
Subject: Thank you for your Amended PAGA Claim Notice Submission.
Date: Friday, November 20, 2026 4:07:07 PM

11/20/2026 04:06:47 PM

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

Item submitted: Amended PAGA Claim

Please note that a PAGA Notice is not a complaint within the meaning of Division 5 (Labor Code §§6300 et seq.). To file a complaint about workplace safety and health hazards with Cal/OSHA, please visit: https://www.dir.ca.gov/dosh/complaint.htm

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

DIR PAGA Unit on behalf of Labor and Workforce Development Agency

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

EXHIBIT 4