D.LAW, INC.
Natalie Haritoonian (SBN 324318)
Matthew Carraher (SBN 346860)
Enoch Kim (SBN 261146)
Jonas Agle (SBN 352712)
250 N Madison Ave., 2nd Floor
Pasadena, CA 91101
Telephone: (818) 962-6465/ Fax: (818) 962-6469
Emails: n.haritoonian@d.law, m.carraher@d.law,
e.kim@d.law, j.agle@d.law

Attorneys for Plaintiffs INES BECERRA ALVARADO,
on behalf of herself and others similarly situated

James R. Hawkins, Esq. SBN 192925
Isandra Fernandez, Esq. SBN 220482
Anthony L. Draper SBN 344391
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, CA 92618
TEL: (949) 387-7200
FAX: (949) 387-6676

Attorneys for Plaintiffs, ELVIRA ZAVALA,
on behalf of herself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

ELVIRA ZAVALA and INES BECERRA ALVARADO, on behalf of themselves and all others similarly situated

Plaintiffs,

vs.

COSTA MESA HEALTHCARE INC., doing business as NEWPORT SUBACUTE HEALTHCARE CENTER, a California corporation; and DOES 1 through 50, inclusive

CLASS ACTION

Case No.: 30-2024-01443677-CU-OE-CXC

Assigned for All Purposes To:
Hon. William Claster
Department CX101

DECLARATION OF ENOCH J. KIM IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Hearing Information:
Date: December 18, 2026
Time: 9:00 a.m.
Department: CX101

Reservation Number: **75010489**

DECLARATION OF ENOCH J. KIM

I, Enoch J. Kim, declare as follows:

1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California.

2. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiff Ines Becerra Alvarado ("Plaintiff"), on behalf of herself and all other similarly situated employees of Defendant COSTA MESA HEALTHCARE INC., doing business as NEWPORT SUBACUTE HEALTHCARE CENTER (collectively referred to as "Defendant") (Plaintiff and Defendant are collectively referred to herein as "the Parties"). All of the matters set forth herein are within my personal knowledge. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval of the Parties' Class Action and PAGA Settlement Agreement ("Motion"). A true and correct copy of the Parties' Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement" or "Settlement") is attached hereto as **Exhibit 1**.

Procedural History

3. Plaintiffs worked for Defendant and seek to represent approximately 453 current and former California non-exempt employees of Defendant.

4. On December 5, 2025, Plaintiff Zavala commenced the Action by filing a class action complaint against Defendant COSTA MESA HEALTHCARE INC., doing business as NEWPORT SUBACUTE HEALTHCARE CENTER (collectively referred to as "Defendant") for various violations of the California Labor Code on an individual and class-wide basis (the "Zavala Action"). Plaintiff Zavala gave timely written notice to the Labor and Workforce Development Agency ("LWDA") and to Defendant that Plaintiffs also intended to proceed with a representative action under the Private Attorneys General Act of 2004 ("PAGA"), (LWDA-CM-1012933-24) (the "Class Action").Plaintiffs gave timely written notice to the Labor and Workforce Development Agency ("LWDA") and to Defendant that Plaintiffs also intended to proceed with a representative action under the Private Attorneys General Act of 2004 ("PAGA"), (LWDA-CM-1065402-24) (the "Class Action"). A true and correct copy of the PAGA notice is

attached hereto as **Exhibit 2**.

5. On February 11, 2025, after the 65-day statutory period passed, Plaintiffs Zavala filed a First Amended Complaint ("FAC"), adding a claim for civil penalties under PAGA, Labor Code §2698, *et seq*. The FAC includes the following causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 203; (7) Violation of Labor Code § 204; (8) Failure to Keep Required Payroll Records under Labor Code §§ 1174 and 1174.5; (9) Failure to Reimburse Necessary Business Expenses § 2802; (10) Failure to Produce Requested Employment Records Under Labor Code §§ 226(b), 1198.5; (11) Violation of Business & Professions Code § 17200 et seq.; and (12) Penalties under PAGA Labor Code § 2698.

6. On December 6, 2024, Plaintiff Alvarado filed a lawsuit against Defendant in Los Angeles Superior Court, Case Number 24STCV32349 alleging similar causes of action. On December 6, 2024 Plaintiffs Alvarado gave timely notice to the Labor and Workforce Development Agency and to Defendant that she intended to bring representative claims under the PAGA. (LWDA-CM-1065718-24). On February 10, 2025, Plaintiff Alvarado filed a First Amended Complaint adding a cause of action under PAGA. On April 2, 2025, the Alvarado Action was transferred from the Los Angeles Superior Court to the Orange County Superior Court, where it was assigned Case No. 30-2025-01489595-CU-OE-CXC. On February 6, 2026, the Alvarado Action was ordered related to the Zavala Action.

7. On July 23, 2026, Plaintiff Zavala filed a Second Amended Complaint ("Operative Complaint") adding Plaintiff Alvarado and her claims to the Action.

Investigation

8. Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. This required thorough discussions and interviews between Class Counsel and Plaintiffs, in addition to the above-described research into the various legal issues involved in the case. After filing the

lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiffs' personnel file and other documentation; (4) interviewing Plaintiffs regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to formal and informal discovery and in advance of the mediation. (*Id*.) The Parties conducted their own evaluations of the potential recoveries based on the claims alleged in the Action, including consulting experts. A true and correct copy of the resume of the expert Class Counsel consulted, Jarett Gorlick of Berger Consulting Group, is attached hereto as **Exhibit 3**.

9. Defendant, for their part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. Given the high level of risk present for both sides, the Parties elected to mediate Plaintiffs' claims and attempt settlement.

Settlement Efforts

10. On September 25, 2025, the Parties attended an all-day mediation session with Brandon McKelvey, Esq., an experienced litigator and mediator in the field of wage and hour class actions. Counsel for Plaintiffs and Defendant discussed all aspects of the case, including the risks of continued litigation and the risks to all parties of proceeding with a class certification motion, as well as the merits of the primary claims in this case. Following mediation, the Parties accepted a mediator's proposal outlining general settlement terms. The Parties continued to work together following mediation on a memorandum of understanding and ultimately a long-form Settlement Agreement, which resulted in the Settlement Agreement now before the Court for approval.

11. From Class Counsel's review of the facts, strengths, and weaknesses of the case

and the risks and delays posed by further litigation, Class Counsel believes that the Settlement is fair and reasonable. Further, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

Summary of the Settlement

12. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay $500,000.00 ("Gross Settlement Amount") on a non-reversionary basis. (Exhibit 1, Settlement Agreement, ¶¶ 3.1.) In addition to the Gross Settlement Amount, Defendant will pay the employer's portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. The Settlement Agreement defines the "Class" as "all persons who currently or formerly worked for Defendant as a non-exempt, hourly paid employee in California during the Class Period," which is December 5, 2020, through November 24, 2025. (Exhibit 1, Settlement Agreement, ¶¶ 1.5, 1.12.) The Settlement Agreement also defines Aggrieved Employees as "all persons who currently or formerly worked for Defendant as a non-exempt, hourly paid employee in California during the PAGA Period," which is, December 5, 2023, through November 24, 2025. (Exhibit 1, Settlement Agreement, ¶ 1.4, 1.32.) The "Net Settlement Amount" available for distribution to Class Members is the Gross Settlement Amount less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. (Exhibit 1, Settlement Agreement, ¶ 1.28.) These amounts are detailed as follows:

- Class Counsel's Fees and Litigation Expense Payment: Up to 35% of the Gross Settlement Amount, or **$175,000.00**, to Class Counsel as attorney's fees for the litigation and resolution of this Action and up to **$30,000.00** for actual costs incurred in this Action. (Exhibit 1, Settlement Agreement, ¶ 3.2.2.);
- Class Representative Service Payment: Up to **$7,500.00** to each Plaintiff as an award for their service as the class representatives (Exhibit 1, Settlement Agreement, ¶ 3.2.1.);

- Administration Expenses Payment: A not-to-exceed amount of **$6,500.00** to the Settlement Administrator for its costs in the administration of the Settlement (Exhibit 1, Settlement Agreement, ¶ 3.2.3);
- PAGA Payment: **$40,000.00** for settlement of claims for civil penalties under PAGA, with 35% ($14,000.00) allocated to the Aggrieved Employees ("Individual PAGA Payments") and 65% ($26,000.00) allocated to the LWDA ("LWDA PAGA Payment") (Exhibit 1, Settlement Agreement, ¶ 3.2.5).

13. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount ("NSA") is estimated to be **$238,500.00**. The "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period. (Exhibit 1, Settlement Agreement, ¶ 1.23.) Each Participating Class Member's "Individual Class Payment" shall be calculated by the Settlement Administrator using the following formula: "(a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks." (Exhibit 1, Settlement Agreement, ¶ 3.2.4.) Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. (Exhibit 1, Settlement Agreement, ¶ 3.2.4.1). 453 Class Members (if no exclusions), the average gross Individual Class Payment, using a straight average, is $526.49. The highest estimated gross Individual Class Payment is $1,701.60, and the lowest estimated gross Individual Class payment is $6.57. The "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($5,000.00) by the total number of PAGA Pay Periods worked by all the Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. (Kim Decl., Exhibit 1, Settlement

Agreement, ¶¶ 1.24, 3.2.5.1.) For the approximately 329 Aggrieved Employees, the highest estimated Individual PAGA Payment is $89.28, and the lowest estimated Individual PAGA Payment is $1.72.

14. The Parties have jointly selected Xpand Legal to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. (Exhibit 1, Settlement Agreement, ¶¶ 1.2, 7.1) 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. (*Id.*) Phoenix has experience administering class action and PAGA settlements, has procedures in place to protect the security of class data, adequate insurance in the event of a data breach or defalcation of funds, and is qualified to administer the Settlement. (*See* Declaration of Jonathan Paul, which also includes a breakdown of the anticipated costs of class notice.) In addition, Xpand Legal will have a website for Class Members to review and reference for details regarding the Final Approval Hearing and any Final Approval Order and Judgement. If the Court grants final approval of the Settlement, a copy of the Final Approval Order and Judgment will be posted on this website for Class Members to review. The website will be provided to Class Members in the Class Notice that is mailed to them.

Certification for Settlement Purposes Only is Appropriate

15. Plaintiffs allege that the proposed Class satisfies the criteria for certification of a settlement class under California law, as embodied in California Code of Civil Procedure § 382. Defendant has agreed to the conditional certification of the class for settlement purposes only. Defendant does not concede that certification is appropriate outside of this Settlement and preserves all rights to oppose certification if, for any reason, the Settlement does not become effective. In general, courts may take a proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a "lesser standard" of scrutiny applies in certifying classes for settlement purposes. *Id*. Therefore, the Court should take into consideration the fact that the Parties have

settled their claims and stipulated to certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

16. Numerosity and Ascertainability. The putative Class is so numerous that joinder of all members is impractical. Class Members are all persons who currently or formerly worked for Defendant as a non-exempt, hourly paid employee in California during the Class Period, which is December 5, 2020, through November 24, 2025. Defendant has identified 453 Class Members based on a review of its payroll and personnel records.

17. Well-Defined Community of Interest. Plaintiffs contend, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiffs, and the Class is united in its proof. This action involves, *inter alia*, a determination about Defendant's alleged failure to pay minimum wages, failure to pay overtime wages, failure to provide all meal periods, failure to authorize and permit all paid rest periods, failure to provide accurate itemized wage statements, failure to timely pay wages, failure pay final wages due upon separation of employment, failure to maintain records, failure to reimburse business expenses, failure to produce requested employment records, and largely derivative claims under the UCL and PAGA. Plaintiffs contend Defendant's practices affected Class Members in the same way and present questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and practices. The outcome of litigation in this matter depends upon questions that are common to Class Members.

18. Typicality. The class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative Class Members and if their claims rest on the same legal theories. Here, Plaintiffs allege that their claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. Plaintiffs and Class Members were employed by Defendant during the Class Period and were subject to the allegedly unlawful meal and rest policies and pay practices at issue in this litigation. Thus, the typicality requirement is satisfied.

19. Adequacy. Plaintiffs' interests are aligned with those of the Class Members, as they have suffered the same injuries as the Class Members and have no conflicts of interest.

Plaintiffs have not shrunk from this responsibility. Indeed, Plaintiffs have devoted a substantial amount of time and energy to litigating this action and effectuating a settlement. Furthermore, as set forth below, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously represented the interests of the class in litigating this case and have no conflicts of interest with the Class, Administrator. Accordingly, the adequacy requirement is satisfied.

20. Predominance and Superiority. Plaintiffs contend that individualized issues do not predominate over the issues of law and fact that are common to the Class as a whole. As explained, *supra*, Plaintiffs allege there are common issues of law and fact given that Plaintiffs and all Class Members were subjected to the same policies and pay practices during the relevant time period. Plaintiffs and Class Members seek meal and rest premiums, unpaid wages and overtime, reimbursement for business expenses, and penalties for work performed as non-exempt employees for Defendant. Plaintiffs allege that these issues are suitable for common adjudication because all Class Members were allegedly subject to the same employment policies, and Plaintiffs contend the practices applied uniformly to all Class Members.

21. Plaintiffs contend that class resolution is superior to other available methods for the fair and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the alleged injury resulting from Defendant's policies and practices are allegedly real and significant, the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. If Class Members are forced to litigate their claims individually this could potentially result in over 453 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for relatively small amounts. Hence, an individual suit would prove uneconomical for potential Plaintiffs because litigation costs would dwarf a potential recovery.

The Settlement is Fair, Adequate, and Reasonable

22. In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of

approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as "the strength of Plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement." The Settlement satisfies all of these requirements.

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

23. The proposed settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary class information. The negotiations have been, at all times, adversarial and non-collusive in nature. Although Plaintiffs steadfastly maintain that their claims are meritorious, Plaintiffs acknowledge that there were substantial risks and uncertainty in proceeding with litigation. As described below, Defendant presented multiple defenses to Plaintiffs' claims, both on the merits and with respect to class certification. Thus, while Plaintiffs were prepared to litigate these claims through class certification, and ultimately trial, success was far from certain. Assistance from a well-respected mediator ensured that negotiations were non-collusive and well-informed.

B. Extent of Discovery and Stage of Proceedings.

24. As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendant' defenses. In advance of mediation, Defendant produced data points related to the class, time and wage records of approximately 20% of the class as of the date of mediation in addition to the relevant policy documents such as employee handbooks. This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses.

C. Strength of Plaintiffs' Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation.

25. Plaintiffs' claims are based on Defendant's alleged failure to pay minimum wages, failure to pay overtime wages, failure to provide all meal periods, failure to authorize and permit all paid rest periods, failure to provide accurate itemized wage statements, failure to

timely pay wages, failure pay final wages due upon separation of employment, failure to reimburse business expenses, and largely derivative claims under the UCL and PAGA.

26. Plaintiffs allege that Defendant failed to pay Plaintiffs and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. For example, Plaintiffs allege that Class Members were required to wait in line in order to clock in for their shift. Similarly, Plaintiffs allege that Defendant required Class Members to work after clocking out at the end of their shifts to complete trainings or their job duties.

27. Defendant contends that it did not require off the clock work, paid for all reported hours worked, that Class Members were instructed and required to record all hours worked, that any alleged off the clock work was performed without Defendant' knowledge, and was de minimis, and that it paid wages at the proper rates. Defendant also argued that given their written policies and practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel applied a significant discount to damages based on this theory.

28. Plaintiffs also allege that Defendant failed to provide Plaintiffs and Class Members with lawful first and second meal periods as meal breaks were either not provided at all or interrupted by work demands from Defendant.

29. Defendant contends that Class Members were given a reasonable opportunity to take their meal periods and that any deviations from their scheduled meal periods were at the voluntary election of Class Members. Defendant also contends that it had lawful meal period policies that applied to Class Members. Defendant further contends that the meal break claim requires individualized inquiries which would preclude class certification. If Defendant's contentions are proven true and prevail in trial, the likely outcome would be no recovery for the Class Members on the meal break claim.

30. Plaintiffs also contend that Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or major fraction thereof. Specifically, Plaintiffs allege that Plaintiffs and Class Members were not able to take their required rest breaks due to

the job duties and demands imposed on them by Defendant.

31. Defendant maintains that it did provide a reasonable opportunity for Class Members to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not provided. Defendant further contends that it had lawful rest period policies that applied to Class Members. Considering that unlike meal periods, rest breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially depress the damages ultimately awarded. Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

32. Additionally, Plaintiffs allege that Defendant required Plaintiffs and Class Members to incur certain expenses for their jobs with Defendant including necessary medical supplies such as blood pressure cuffs. Defendant denies that such expenses were required to be incurred and contends that it reimbursed any expenses incurred that were required to be reimbursed under the law.

33. As for the wage statement and waiting time penalties claims, Plaintiffs allege that Defendant consistently failed to provide Class Members with accurate and itemized wage statements, including failing to list the proper employing entity name and pay codes on wage statements, and all wages due to Class Members upon termination of their employment with Defendant. Defendant contends that these claims are merely derivative of the underlying claims and that Plaintiffs and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. Defendant further contend that even if they could first establish liability for the underlying claims, Plaintiffs and Class Members would be unable to establish that Defendant' conduct was willful and knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Plaintiffs and Class Members. Thus, Defendant contends that the wage statement and waiting time penalties claims to have little to no value.

34. Further, Defendant contends that the PAGA claim is also derivative of the underlying claims in the Action and ultimately fails because the underlying claims have no merit. Defendant also contends that even if Plaintiffs and Class Members could establish Labor Code

violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature.

35. Defendant generally denies all claims alleged in the Action and further deny class and/or representative treatment is appropriate for any purpose other than this Settlement and that it complied with all applicable laws. However, Defendant has concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein.

36. As stated above, while Plaintiffs and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiffs were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

D. The Risk of Maintaining Class Action Status Through Trial.

37. Plaintiffs have not yet filed their motion for class certification, and as such, the extent to which Plaintiffs' proposed classes were certifiable is somewhat speculative. Absent a settlement, there was a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Settlement Class, resulting in less overall recovery.

38. Finally, in class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat. Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and

the commitment of extensive further time and financial resources. Finally, given the complexity and unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for resolution in this matter. Risk and legal uncertainty must be dealt with in any litigation, and this Settlement was the product of compromise accounting for those risks and that uncertainty.

E. The Presence of a Governmental Participant.

39. Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2).

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.

40. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

41. The strength of the Plaintiffs' case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs allege that Defendant failed to pay minimum wages, failed to pay overtime wages, failed to provide all meal periods, failed to authorize and permit all paid rest periods, failed to provide accurate itemized wage statements, failed to timely pay wages, failed pay final wages due upon separation of employment, failed to maintain records, failed to produce requested employment records, and failed to indemnify reasonable and necessary business expenses, all in violation of California law. Summary calculations for estimated liability for each of these claims follow.

Failure to Pay Minimum and Overtime Wages:

42. Plaintiffs allege that Defendant failed to pay Plaintiffs and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week.

43. Class Counsel's expert estimated Defendant's exposure on the unpaid wages claims to be approximately $1,105,964.00 (assuming one hour of off-the-clock work per workweek and 54.9% of off the clock hours attributable to overtime). However, given Defendant's defenses and the potential hurdles facing certification of off-the-clock claims, Class Counsel applied an 80% discount making for an adjusted realistic exposure of **$221,192.80** for Defendant.

Meal Periods and Rest Breaks:

44. Plaintiffs also allege that Defendant failed to provide Plaintiffs and Class Members with lawful first and second meal periods and failed to pay the legally required premium at their regular rate of pay whenever meal periods were missed, interrupted, or late. Defendant contends that Class Members were given a reasonable opportunity to take their meal periods, and when compliant meal periods were not provided, Defendant provided premium pay to Class Members as reflected in their time and pay records. Defendant further contend that the meal break claim requires individualized inquiries which would preclude class certification. If Defendant' contentions are proven true and prevail in trial, the likely outcome would be no recovery for the Class Members on the meal break claim.

45. For each meal period missed, of less than 30 minutes, or taken late for which the employee was not provided a reasonable opportunity to take a complete and timely meal period, an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as "premium pay." To comply with these laws, every employer must keep, for each employee, accurate time records showing when the employee begins and ends each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3).

46. Class Counsel's expert estimated Defendant's maximum exposure on the meal period claim at approximately $914,345.00 (meal period premiums due with an offset for meal period premiums paid). However, given Defendant's defenses and the potential hurdles facing certification of the meal break claim, Class Counsel applied an 80% discount making for an adjusted realistic exposure of **$182,869.00** for Defendant.

47. Rest Breaks: Plaintiffs also contend that Defendant did not provide Class Members

with paid 10-minute rest breaks for every four hours or major fraction thereof.

48. Class Counsel estimated Defendant's maximum liability exposure on the rest break period claim at approximately $652,757.00 assuming a 20% violation rate. However, owing to the arguments above and the fact that the recording of rest periods is not required and the difficulties facing certification of rest break claims, this claim was substantially discounted, and Class Counsel applied a discount of 90% to get an estimated realistic exposure of **$65,275.70** for Defendant.

Inaccurate Wage Statement Violations:

49. Under Labor Code § 226(a), Plaintiffs and the Class are entitled to recover $50 for initial violations for inaccurate wage statements and $100 for subsequent violations, up to a maximum of $4,000 per employee.

50. Class Counsel's expert estimated Defendant's maximum total exposure on the section 226 claim at approximately $678,750.00 (assuming $50/$100 for initial and subsequent violations and 257 employees during the relevant period and a maximum of $4,000 per employee). After considering Defendant's contentions and the potential class certification issues, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of **$67,875.00.**

Failure to Timely Pay Wages:

51. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiffs allege that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

52. Section 203 further provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Because Class Members stopped working for Defendant but were allegedly not paid their full compensation for the reasons discussed above, Class Members did not receive all wages due

upon termination of employment.

53. Class Counsel's expert estimated Defendant's maximum total exposure on the section 203 claim at approximately $1,197,224.00 (169 terminated employees during the relevant period x 30 days x average hourly rate per year x 8.8 hours per workday). Given the foregoing arguments, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of **$119,722.40**.

Failure to Reimburse for Necessary Business Expenditures:

54. Under Labor Code § 2802(a) Defendant must indemnify Plaintiffs and Class Members for all necessary expenditures or losses incurred in direct consequence of the discharge of their duties.

55. Class Counsel's expert estimated Defendant's total maximum exposure on the unreimbursed business expenses claim at approximately $22,550.00 ($50 x 451 Class Members). Given the foregoing arguments, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of **$2,255.00**.

PAGA Penalties:

56. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq*., allows Plaintiffs to obtain civil penalties on behalf of himself and other aggrieved employees for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), sixty-five percent (65%) of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining thirty-five percent (35%) allocated to the affected employees. The limitations period for all penalties is one year prior to the filing of the complaint.

57. The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 201, 201.3, 202, 203, 204, 210, 218.5, 226, 226(a),

226(e), 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1185, 1194, 1194.2, 1194.2, 1197, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, 2802 and 2698 *et seq*. PAGA penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision); see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald's Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from $41 million to $775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from $5.4 million to $325,000); *Fleming v. Covidien*, Inc. (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from $2.8 million to $375,000)).

58. PAGA penalties are also derivative of each and every other claim, and Defendant argued the PAGA claims would be subject to the same defenses as the underlying claims, and as well as additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant had never been notified of the alleged violations. *Id.* at 1208-1209.

59. Plaintiffs estimated Defendant's total exposure on the PAGA claim at approximately $689,500.00 (6,895 PAGA Pay Periods x $100). However, Class Counsel also estimated any PAGA recovery would be substantially reduced and applied a substantial discount in light of the countervailing arguments with regard to the other causes of action and the Court's power to award "a lesser amount than the maximum civil liability." Class Counsel applied a discount of 95% (or a $5 penalty per pay period) to get a realistic exposure of **$34,475.00** (6,895 PAGA Pay Periods x $5). The PAGA allocation agreed upon by the Parties was $40,000.00, subject to the Court's final approval.

Unfair Business Practices

60. Plaintiffs pled this cause of action to augment his other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiffs' wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute.

Summary

61. The foregoing discussion establishes the adequacy of the Settlement amount in light of the merits of Plaintiffs' case and establishes the fairness of the class-action settlement in the instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining the legal basis for each of Plaintiffs' causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating to Defendant's legal and factual arguments that worked to detract from the strength of Plaintiffs' case.

62. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary in light of Defendant' contentions and denial of liability. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiffs estimated that Defendant faced approximately $693,664.90 in total realistic exposure on Plaintiffs' main claims. The Gross Settlement Amount of $500,000.00 therefore represents a recovery for the Class Members of approximately 72% of the total realistic exposure Plaintiffs estimated Defendant could face on these class-wide claims. Class Counsel submits that this is an optimal result for the Class in light of all of the factors described above.

Class Counsel Fees Payment is Fair and Reasonable

63. Under the Settlement, Class Counsel requests, without opposition from Defendant, an award of $175,000.00 for attorneys' fees and up to $30,000.00 for reasonable expenses incurred to prosecute the Action. Class Counsel estimates that its costs through final approval and settlement administration will be $12,879.92. Class Counsel's cost log along with supporting invoices are attached hereto as **Exhibit 4**. This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it on in the first place as they will not receive any compensation

for their efforts until recovery is obtained for the Class. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Class Members, communicating with Class Members regarding their claims, and assisting in the administration of the Settlement if it is preliminarily approved. The requested fee is reasonable for the services provided to Class Members and for the benefits they are to receive.

The Class Representative Service Payment is Fair and Reasonable

64. Plaintiffs are entitled to a reasonable service payment for his efforts and initiative in bringing and helping to prosecute this action. Plaintiffs spent significant time better apprising themselves of their rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and communicating with Class Counsel. Plaintiffs were consistently communicative with counsel, routinely checked-in, and was responsive to Class Counsel's requests for information for discovery, documentation, and meetings.

65. Both before and after the filing of this lawsuit, Plaintiffs conferred with Class Counsel to discuss every aspect of their case.

66. In agreeing to be the named Plaintiffs in this litigation, Plaintiffs accepted a number of risks. For example, they accepted the potential risk of being liable for Defendant's costs and potentially the company's fees if the lawsuit was unsuccessful. Further, they risked the potential stigma of being a class representative in a class action labor dispute, which may affect their future employability.

67. Plaintiffs each seek an enhancement in the amount not to exceed $7,500.00. They secured a benefit for the Class worth $500,000.00. In the aggregate, the requested enhancement represents only a small percentage of the settlement consideration. The total amount which Plaintiffs are requesting to be allocated to a service award is approximately 1.5% of the total settlement amount. In light of the foregoing, Class Counsel believes that the $7,500.00 service payment to the Class Representatives is fair and reasonable.

Proposed Class Notice Provides Adequate Notice

68. The notification procedure set out in the Settlement Agreement provides the greatest

likelihood that each and every Class Member will receive the Class Notice, attached to the Settlement as Exhibit A. Under the Settlement, no later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator. No event later than 14 days after receiving the Class Data, the Administrator will send the Class Notice to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail the Class Notice. (Exhibit 1, Settlement Agreement, ¶ 4.2, 7.4.2.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendant' records. (Exhibit A, Class Notice). The Class Notice will include a form for Requests for Exclusions and a form for objections. Class Members who wish to exclude themselves from the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). (Exhibit 1, Settlement Agreement, ¶ 7.5.1.) A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the 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.

69. The settlement agreement does not impose any affirmative duties on Participating Class Members. No claim form is required to participate in the Settlement. Individuals who wish to opt out or object may do so. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). It provides for a specific procedure to seek exclusion from the Class, disputing payments and Class Information, challenging workweek and pay period data, and lodging objections to the settlement. (*Id*.) In the Class Notice, Class Members will also receive Class Counsel's contact information so they can speak to attorneys conversant with the legal and factual issues involved in this case, as well as

the contact information for the Settlement Administrator. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the settlement are reasonable and provide the best notice practicable.

70. Defendant has advised that Class Members are proficient in either English or Spanish so the Class Notice will be provided in both English and Spanish.

Qualifications and Adequacy of Class Counsel

71. D.Law prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as Plaintiffs' counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

72. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiffs and the putative Class and Aggrieved Employees in this action. Our practice is exclusively focused on employment matters and representing Plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

73. D.Law has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara, 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family,

Inc. (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of

California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Virdi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

74. I was admitted to the California Bar in December 2008, and I am Senior Counsel at D.Law. I received my J.D. from Pepperdine University School of Law and B.S. from the University of Southern California. Since graduating from law school, I have dedicated virtually my entire career on the practice of employment law. I have practiced employment law from the Plaintiffs' side, from the defense side, and from an in-house position. I have significant experience specifically working on wage and hour class actions from the Plaintiffs' side as well as the defense side, with the majority of my experience coming from the Plaintiffs' side.

75. Attorney Natalie Haritoonian is Senior Counsel at D.Law and counsel of record for Plaintiffs. Ms. Haritoonian received her Bachelor of Arts in political science from the University of California, Los Angeles, in 2014, and then earned her Juris Doctorate from the University of Southern California, Gould School of Law in 2018. Upon graduating from law school, Ms. Haritoonian has exclusively focused her practice on representing employees, including in wageand-hour class actions. During her career, Ms. Haritoonian has represented employees in wageand-hour class action lawsuits as lead or co-lead counsel, and has also obtained six and seven figure settlements against a range of Defendant.

76. Attorney Matthew Carraher earned his bachelor's degree from Loyola Marymount University and his Juris Doctorate from Loyola Law School. He was admitted to the California Bar in December 2022 and has devoted the majority of his legal career to the practice of employment law. He has been appointed as class counsel for class and representative action settlements in California state court involving the gamut of wage-and-hour claims, including

claims for failure to pay minimum wages, unpaid wages and overtime, inaccurate pay statements, failure to pay timely wages, and failure to reimburse necessary business expenses - similar to claims at issue in the present matter.

77. Associate Attorney Jonas Agle graduated from the University of California, Santa Barbara, in 2018, and from the University of California, Irvine School of Law in 2023. Since graduating law school, he has devoted his practice to representing employees in all aspects of California state and federal labor and employment litigation, including complex class actions, and representative actions in wage and hour claims.

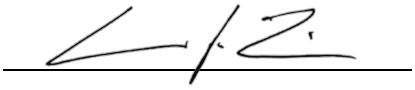
78. The collective experience of the D.Law attorneys in litigating employment wage and hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally negotiating fair and reasonable class and representative action settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the constantly evolving substantive law (state and federal), as well as the procedural law of class and representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the skills and knowledge developed over decades of prosecuting and defending wage and hour class actions to fairly and adequately represent the interests of the Class Members and aggrieved employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-qualified to act as class counsel and represent the Plaintiffs and the putative Class Members and aggrieved employees in this action.

79. We understand the responsibilities owed as counsel to the Settlement Class Members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this action and have remained committed to dedicating the resources necessary to represent the Settlement Class and vigorously pursue their claims. Based upon my experience and understanding of the claims and defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Class Members and aggrieved employees and all involved, and that the Settlement is well within the range of reasonableness that would permit it to be finally approved. I am not aware of any conflict of interest with Plaintiffs or any other Class Member that would interfere with the duties as Class Counsel.

80. On October 22, 2026, Plaintiffs submitted the Parties' Class Action and PAGA Settlement Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement Agreement and supporting documents to the LWDA. A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 5.**

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this November 16, 2026, in Pasadena, California.



Enoch J. Kim

EXHIBIT 1

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Elvira Zavala ("Plaintiff Zavala") and Plaintiff Diana Rosario Alvarado formerly known as Ines Becerra Alvarado ("Plaintiff Alvarado") (collectively "Plaintiffs") and Costa Mesa Healthcare, Inc., dba Newport Subacute Healthcare Center ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Actions" means Plaintiff Zavala's wage and hour lawsuit filed against Defendant captioned *Elvira Zavala v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al.* initiated on December 5, 2024, and pending in Superior Court of the State of California, County of Orange, Case Number 30-2024-01443677-CU-OE-CXC and Plaintiff Alvarado's wage and hour lawsuit filed against Defendant captioned *Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al.* initiated on December 6, 2024, and pending in Superior Court of the State of California, County of Orange, Case Number 30-2025-01489595-CU-OE-CXC.

1.2 "Administrator" means Xpand Legal ("Xpand"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 "Class" means all persons who currently or formerly worked for Defendant as a non-exempt, hourly paid employee in California during the Class Period.

1.5 "Class Counsel" means Natalie Haritoonian, Jonas Agle, and Matthew Carraher of D.Law, Inc., and James R. Hawkins, Isandra Fernandez, and Anthony L. Draper of James Hawkins APLC.

1.6 "Class Counsel Fees" and "Class Counsel Litigation Costs" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and documented out of pocket expenses, respectively, reasonably incurred to prosecute the Actions.

1.7 "Class Data" means Class Member identifying information in Defendant's possession, including the Class Member's (a) name, (b) last-known mailing address,(c) Social Security number, and (d) number of Workweeks and PAGA Pay Periods.

1.8 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Member).

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

1.9 "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.

1.10 "Class Notice" means the Court-Approved Notice Of Class Action Settlement and Hearing Date For Final Court Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.11 "Class Period" means the period from December 5, 2020 through November 24, 2025.

1.12 "Class Representatives" means the named Plaintiffs in the operative Complaints in the Actions seeking Court approval to serve as dual Class Representatives.

1.13 "Class Representative Service Award" means the payment to the Class Representatives for initiating the Actions and providing services in support of the Actions.

1.14 "Court" means the Superior Court of California, County of Orange.

1.15 "Defendant" means named Defendant Costa Mesa Healthcare, Inc., dba Newport Subacute Healthcare Center.

1.16 "Defense Counsel" means Chandra A. Beaton and Benjamin F. Fraser of LightGabler LLP.

1.17 "Effective Date" means the date when all of the following have occurred: the Court has granted final approval to the settlement (including approval of the settlement of the PAGA claim), has entered and filed the final approval order of the settlement and final judgment; and the judgment has become final. The Judgment becomes final as follows: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. In the event any appeal or other challenge is filed concerning the settlement, administration of the settlement shall cease and be stayed pending final resolution of such appeal or challenge without reversal or modification to the settlement and judgment.

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

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

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

1.20 "Gross Settlement Amount" means $500,000.00 which is the total amount Defendant agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay (1) Individual Class Payments (including employee tax withholdings from the Wage Portions), (2) Class Counsel Fees, (3) Class Counsel Litigation Costs, (4) Administration Expenses Payment, (5) Plaintiffs' Class Representatives Service Award, (6) Individual PAGA Payments, and (7) LWDA PAGA Payment.

1.21 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.22 "Individual PAGA Payment" means the PAGA Member's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.23 "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

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

1.26 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representatives Service Award, Class Counsel Fees, Class Counsel Litigation Costs, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.27 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

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

1.29 "PAGA Pay Period" means any pay period during which a PAGA Member worked for Defendant for at least one (1) day during the PAGA Period.

1.30 "PAGA Period" means the period from December 5, 2023 through November 24, 2025.

1.31 "PAGA Member" means all persons who currently or formerly worked for Defendant as a non-exempt, hourly paid employee in California during the PAGA Period.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

1.32 "PAGA Notices" means Plaintiff Zavala's December 5, 2024 letter and Plaintiff Alvarado's December 6, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a). (LWDA-CM-1065402-24; LWDA-CM-1065718-24).

1.33 "PAGA Penalties" means the total amount of PAGA civil penalties ($40,000.00) to be paid from the Gross Settlement Amount, allocated 35% to PAGA Members ($14,000.00) and the 65% to LWDA ($26,000.00) in settlement of PAGA claims.

1.34 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.35 "Plaintiff Alvarado" means Diana Rosario Alvarado formerly known as Ines Becerra Alvarado, the named plaintiff in the action *Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al*., Case Number 30-2025-01489595-CU-OE-CXC.

1.36 "Plaintiff Zavala" means Elvira Zavala, the named plaintiff in the action *Elvira Zavala v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al.*, Case Number 30-2024-01443677-CU-OE-CXC.

1.37 "Plaintiffs" means Elvira Zavala and Diana Rosario Alvarado formerly known as Ines Becerra Alvarado, the named plaintiffs in the Actions.

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

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

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

1.41 "Released Parties" means Defendant Costa Mesa Healthcare, Inc., dba Newport Subacute Healthcare Center and its current or former officers, partners, directors, shareholders, owners, investors, assigns, attorneys, insurers, agents, independent contractors, employees, joint employers, labor contractors, predecessors, successors, parents, subsidiaries, affiliates, related entities or other representatives of any kind, and related parties that have been asserted or could have reasonably been asserted based on the allegations in the PAGA notices dated December 5, 2024 and December 6, 2024, the Complaints filed December 5, 2024 and December 6, 2024, and the First Amended Complaints filed February 10, 2025 and Februrary 11, 2025.

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

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

1.43 "Response Deadline" means sixty (60) days after the Administrator mails Notice to Class Members and Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the 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 Response Deadline has expired.

1.44 "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

1.45 "Workweek" means any calendar week (i.e., a week beginning with Sunday and ending with Saturday), in which a Class Member worked for Defendant for at least one (1) day during the Class Period.

2. **RECITALS.**

2.1 On December 5, 2024, Plaintiff Zavala filed a lawsuit entitled *Elvira Zavala v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al.*, California Superior Court for the County of Orange, Case Number 30-2024-01443677-CU-OE-CXC, alleging causes of action against Defendant for (1) failure to pay lawful wages; (2) failure to provide meal periods; (3) failure to provide rest breaks; (4) failure to reimburse business expenses; (5) failure to timely pay wages during employment; (6) failure to timely pay wages at termination; (7) failure to provide accurate wage statements; and (8) unfair business practices. On February 11, 2025, Plaintiff Zavala filed a First Amended Complaint adding a claim for civil penalties under the California Private Attorneys General Act, (the "Zavala Action" and "Zavala Complaint").

2.2 On December 6, 2024, Plaintiff Alvarado filed a lawsuit entitled *Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center, et al.*, California Superior Court for the County of Los Angeles, Case Number 24STCV32349, alleging causes of action against Defendant for (1) failure to pay minimum wages; (2) failure to pay wages and overtime; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to provide accurate itemized wage statements; (6) failure to timely pay final wages at termination; (7) failure to timely pay wages during employment; (8) failure to keep required payroll records; (9) failure to indemnify necessary business expenses; and (10) unfair business practices. On February 10, 2025, Plaintiff Alvarado filed a First Amended Complaint adding a claim for civil penalties under the California Private Attorneys General Act. On April 2, 2025, the Court transferred the Alvarado Action to California Superior Court for the County of Orange, where the case is currently pending as Case Number 30-2025-01489595-CU-OE-CXC, (the "Alvarado Action" and "Alvarado Complaint"). Collectively the Zavala Complaint and Alvarado Complaint are herein referred to as the "Operative Complaints".

2.3 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Zavala gave written notice to Defendant and the LWDA by sending a PAGA Notice on December 5, 2024 (LWDA-

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

CM-1065402-24) and Plaintiff Alvarado gave written notice to Defendant and the LWDA by sending a PAGA Notice on December 6, 2024 (LWDA-CM-1065718-24).

2.4 On February 4, 2026, this Court related the Zavala Action and Alvarado Action.

2.5 On September 25, 2025, the Parties participated in a joint, all-day mediation with Brandon McKelvey, Esq., which resulted in the settlement of this matter via a mediator's proposal, subject to the Court's approval.

2.6 Prior to mediation, Plaintiffs obtained, through informal discovery, a 20% sampling of payroll and timekeeping data, as well as other data. Plaintiffs' investigations were 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"). Plaintiffs also received information and extensive documents substantiating Defendant's dire financial condition.

2.7 Defendant denies the allegations in the Operative Complaints, denies any failure to comply with the laws identified in in the Operative Complaints and denies any and all liability for the causes of action alleged. The Parties have entered into this Agreement to resolve the dispute or disputes that have arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendant does not admit and specifically denies that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful or improper conduct with respect to its employees or operations. Apart for purposes of settling the Actions, the Parties agree this Settlement may not be used or admitted for any other purpose or in any other proceeding other than to enforce and effectuate the terms and conditions of this specific Settlement as provided herein.

2.8 Defendant does not admit these matters are suitable for certification or treatment as a class or other representative action, and the Court has not granted class certification.

2.9 The Parties represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraphs 8 and 9 below, Defendant promises to pay no more than $500,000.00 as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any employer payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. Prior to disbursing the Gross Settlement Amount, the Administrator will provide a disbursement breakdown to Class Counsel and Defense Counsel and will not

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

disburse any funds until the breakdown is approved by both counsels. Any disputes regarding disbursement will be resolved by the Court. Upon receiving approval from both Class Counsel and Defense Counsel, the Administrator will disburse the Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiffs: Class Representative Service Awards to both Plaintiff Zavala and Plaintiff Alvarado of not more than $7,500.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment each Plaintiff is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' requests for Class Representative Service Awards that does not exceed this amount. As part of the motion for Class Counsel Fees and Class Counsel Litigation Costs, Plaintiffs will seek Court approval for any Class Representative Service Awards no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Awards less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Awards using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on the Class Representative Service Awards. The Parties agree that regardless of the amount of the service award awarded to Plaintiffs by the Court, the enforceability of this Agreement shall not be affected.

3.2.2 To Class Counsel: Class Counsel Fees of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be $175,000.00, and Class Counsel Litigation Costs of not more than $25,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Class Counsel Litigation Costs no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a payment for Class Counsel Fees and/or a Class Counsel Litigation Costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Defendant shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of the Class Counsel Fees and/or Class Counsel Litigation Costs. The Administrator will pay the Class Counsel Fees and Class Counsel Litigation Costs using one or more IRS 1099 Forms. Class Counsel shall assume full responsibility and liability for taxes owed on the Class Counsel Fees and the Class Counsel Litigation Costs and agrees to hold Defendant harmless from any dispute or controversy regarding any division or sharing of any of these payments.

In the event that the Court reduces or does not approve the requested Class

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

Counsel Fees Award and/or Class Counsel Litigation Costs Award, Class Counsel reserve their right to appeal such order; however, Plaintiffs and/or Class Counsel shall not request or demand an increase to the Gross Settlement Amount on that basis. The Parties agree that regardless of the amount of attorney fees and costs that the Court approves and awards, the enforceability of this Agreement shall not be affected.

3.2.3 To the Administrator: An Administration Expenses Payment not to exceed $6,500.00 except for a showing of good cause and as approved by the Court.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks during the Class Period.

3.2.4.1 Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 45% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and business expenses, and 45% to penalties (the "Non-Wage Portions"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 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 Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and PAGA Members: PAGA Penalties in the amount of $40,000.00 to be paid from the Gross Settlement Amount, with 65% ($26,000.00) allocated to the LWDA PAGA Payment and 35% ($14,000.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Members' 35% share of PAGA Penalties ($14,000.00) by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each PAGA Member's number of PAGA Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. The Parties agree that regardless of the amount of the Gross Settlement Amount that the Court decides to allocate and approve as the PAGA payment portion of the settlement the enforceability of the settlement shall not be affected.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 453 Class Members who collectively worked a total of 36,302 Workweeks during the Class Period, and 329 PAGA Members who worked a total 8,154 of PAGA Pay Periods during the PAGA Period.

4.2 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) calendar days after the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within seven (7) calendar days after Defendant funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the Administrator will provide a draft of its distribution cacluations to Class Counsel and Defense Counsel. The Administrator shall not distribute any settlement funds unless and until Class Consel and Defense Counsel have approved the distribution summary. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, and conditioned upon Class Counsel and Defense Counsel having approved the Administrator's distribution calculations, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, Class Counsel Fees, Class Counsel Litigation Costs, and the Class Representative Service Awards.

4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the 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 Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Members including Non-Participating Class Members who qualify as PAGA Members. The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

Payment. Before mailing any checks, the Settlement 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 other 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 Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.3.3 For any 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 Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective upon the Effective Date and remittance of the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by Defendant to the Settlement Administrator, Plaintiffs, Participating Class Members, and PAGA Members shall fully and finally release and discharge claims against the Released Parties as follows:

5.1 Plaintiffs' General Release and Waiver of Rights Under CCC Section 1542. In addition to the Participating Class Member and PAGA Member releases below, Plaintiffs and Plaintiffs' respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release all known and unknown claims, whether ascertained or unascertained, that they have against the Released Parties up to the date of their execution of this Agreement. Plaintiffs expressly waive and relinquishes, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides:

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.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

5.2 Release by Participating Class Members: Participating Class Members release and discharge the Released Parties from any and all wage and hour claims, rights, demands, debts, liabilities, causes of action, primary rights, or claims for relief arising out of or related to work performed by Settlement Class Members during the Class Period that are alleged, were alleged, or could have reasonably been alleged based on the factual allegations stated in the Operative Complaints, including violations of the California Labor Code, the California Business and Professions Code sections 17200 et seq., and the Industrial Welfare Commission Wage Orders. By way of illustration only and not as a limitation, this release includes all types of recovery and relief available for the above-referenced claims and theories of relief, including, without limitation, any claims for unpaid or untimely payment of any wages or other amounts owed, unpaid minimum wage, unpaid overtime, unpaid double-time pay, non-compliant meal periods or rest breaks or for premium pay, provisions regulating hours and days of work in any IWC Order, unreimbursed expenses, failure to timely pay wages during employment or upon separation and for waiting-time penalties, failure to maintain accurate records, failure to provide accurate, itemized wage statements or other wage statement violations, unfair business practices, and including claims arising therefrom for damages, reimbursement, restitution, losses, penalties (excluding PAGA), fines, liens, attorneys' fees, costs, expenses, debts, interest, injunctive or declaratory relief, chargebacks, liquidated damages or similar relief. This release does not include claims for vested retirement benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or other claims not explicitly included herein which are unable to be released as a matter of law.

5.3 Release by PAGA Members: PAGA Members are deemed to fully and finally release and discharge Released Parties from any and all claims for civil penalties arising out of or related to work performed by PAGA Members for Defendant during the PAGA Period that are alleged, were alleged, or could have reasonably been alleged based on the factual allegations stated in the Operative Complaints and the PAGA Notices. This release includes all claims for civil penalties available for the above-referenced claims and theories of relief, including, without limitation, any claims for unpaid or untimely payment of any wages or other amounts owed, unpaid minimum wage, unpaid overtime, unpaid double-time pay, non-compliant meal periods or rest breaks or for premium pay, provisions regulating hours and days of work in any IWC Order, unreimbursed expenses, failure to timely pay wages during employment or upon separation and for waiting-time penalties, failure to maintain accurate records, failure to provide accurate, itemized wage statements or other wage statement violations, and including any claims arising therefrom for any monetary or non-monetary relief, and claims for attorneys' fees, expenses, and costs, that may be obtained under the PAGA statute.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's requirements for Preliminary Approvals.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, 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 Class and PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting conditional certification of the Class for settlement purposes only and Preliminary Approval and Approval of Class and PAGA Settlement; appointing the Class Representatives, Class Counsel, and Adminstrator; (iii) a draft proposed Class Notice; (iv) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaints (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. Plaintiffs, by and through Class Counsel, are responsible for expeditiously finalizing and filing the Motion for Preliminary Approval 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. Defendant will not oppose Plaintiffs' Motion for Preliminary Approval. Plaintiffs are also responsible for delivering the Court's Preliminary Approval Order to the Administrator.

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

6.3 Court Determinations: The amounts of Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, with the exception of Plaintiffs' right to appeal stated in Paragraph 3.2.2. The Court's approval or denial of any amount requested for these items are not material conditions of this Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of this Agreement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment shall not operate to terminate or cancel this Agreement. If the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of the Agreement with prejudice, the Agreement will be null and void, and the Parties will have no further obligations under the Agreement.

7. **SETTLEMENT ADMINISTRATION.**

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

7.1 Selection of Administrator. The Parties have jointly selected Xpand to serve as the Administrator and verified that, as a condition of appointment, Xpand 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 to 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 Notice to Class Members.

7.4.1 Not later than fourteen (14) calendar days after the date on which the Court enters an order granting preliminary approval of the Settlement, Defendant shall provide the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet, containing the following information for each Class Member: (1) full name; (2) last known home address; (3) social security number; and (4) the number of Workweeks and PAGA Pay Periods. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement, and not provide the Class Data to Plaintiffs or Class Counsel. Defendant has a continuing duty to promptly notify Class Counsel if it is discovered that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator 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.

7.4.2 Not later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.3 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar 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 Notice with Spanish translation, if

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

applicable substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.4 Not later than three (3) business days after the Administrator's receipt of any Class Notices returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice 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 Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.5 The deadlines for Class Members' written objections, Challenges to Workweeks and/or PAGA 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 Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.6 If the Administrator, Defendant, Defense Counsel, 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 Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other 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, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator by mail, fax, or email, a signed written Request for Exclusion not later than the Response Deadline.

7.5.2 A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's: (i) full name, (ii) last four digits of his/her Social Security number, (iii) mailing address, (iv) email address or telephone number, and (v) a simple statement electing to be excluded from the Settlement. Class Members may also complete and sign the Request for Exclusion

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

form attached to the Class Notice. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.3 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 Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. While the Administrator may make the initial determination of the validity and authenticity of the Requests for Exclusion, the Court may review any determination made by the Administrator and make the final determination on the validity and authenticity of the Requests for Exclusion.

7.5.4 Every Class Member who 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 whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.5 Every 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 are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Members are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks and PAGA Pay Periods. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks and/or PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by sending a letter or the Dispute form attached to the Class Notice to the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator shall request dates of employment for the challenging Class Member/PAGA Member, and is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data and dates of active employment provided by Defendant. While the Administrator may make the initial determination of each Class Member's allocation of Workweeks and PAGA Pay Periods, the Court may review any determination made by the Administrator regarding the challenges. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination on the challenges.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

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 Class Counsel Fees, Class Counsel Litigation Costs, and/or Class Representative Service Award.

7.7.2 A Participating Class Member who elects to send a written objection to the Administrator via fax, email, or mail must do so not later than the Response Deadline.

7.7.3 Participating Class Members will need to send any written objections to the Administrator only. The written objection must: (i) indicate what the Class Member is objecting to; (ii) explain why the Class Member is objecting; (iii) include any fact that support the objection; and (iv) include the Class Member's full name, last four digits of his/her Social Security number, present address, and email address or telephone number. Participating Class Members may also complete and sign the Objection form attached to the Class Notice.

7.7.4 Participating Class Members will not be barred from appearing at the Final Approval Hearing if they have not complied with the objection procedures for mailing objections to the Settlement Administrator. 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.

7.7.5 Non-Participating Class Members have no right to object to any of the class action components of the Settlement. PAGA Members have no right to object to the PAGA portion of the Agreement and shall be bound by the release of claims identified in Paragraph 5.3 of this Agreement.

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 post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Award, Class Counsel Litigation Costs Award and Class Representative Service Awards, the Final Approval and the Judgment. 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

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

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; and (c) copies of all Requests for Exclusion from 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 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include 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 Workweek and PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than three (3) days before the date by which Plaintiffs are 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 Notice, 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. 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 Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, 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.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

7.8.7 Payroll Tax Calculation. The Administrator shall calculate Defendant's share of employer payroll taxes due on the Wage Portion of Individual Class Payments and provide this information to the Parties for purposes of Final Approval. The Administrator shall remit employer taxes and required forms to the appropriate taxing authorities within the deadlines set by law.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on a review of its records to date, Defendant represented that there are approximately 34,000 Class Member Workweeks during the time period from December 5, 2020 through November 24, 2025. In the event the number of Workweeks during such period is more than 37,400 (i.e., more than 10% above 34,000), then the Gross Settlement Amount shall be increased proportionally by the number of workweeks in excess of 37,400. Class Counsel Fees shall remain 35% of the increased Gross Settlement Amount if the escalator clause is triggered.

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 Class Members, Defendant may, in its discretion, 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 no 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. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. The parties and their counsel agree that they shall not seek, solicit, or otherwise encourage Class Members to submit exclusion/opt-out requests or objections to the settlement. Plaintiffs agree they will not opt-out of or object to the settlement.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five (5) calendar days prior to filing the Motion for Final Approval. The Parties, by and through their respective 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. The Parties agree to cooperate to promote participation in the Settlement and in seeking court approval of the Settlement, including working cooperatively to address any questions raised by the Court and making any reasonable

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

amendments required by the Court by, and among other things, modifying the Settlement Agreement, submitting supplemental evidence or declarations reasonably required, and supplementing points and authorities as requested by the Court. The Court's decision to award less than the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and/or Administration Expenses Payment shall not constitute a material modification to the Settlement within the meaning of this paragraph.

10.2.1 The Parties agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Defendant agree not to obtain settlements agreements from the Class Members during the Settlement approval process and will work in good faith to reach an agreement approved by the Court.

10.2.2 In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Actions 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, the Parties 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.

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 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 Awards 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 Amount remains unchanged.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and obtain a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 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 Complaints have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions 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 reason, and Defendant reserves all available defenses to the claims in the Actions, 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 Actions 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).

12.2 Confidentiality Prior to Preliminary Approval. The Parties agree that, until the Motion for Preliminary Approval of Settlement is filed, they and their respective Counsel 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, member of the press, 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) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) 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. The Parties agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any 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.

12.3 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 prior written agreements, including the Memorandum of Understanding of Settlement, and any and all oral representations, warranties, covenants, or inducements made to or by any Party.

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

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

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

12.6 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.

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

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

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

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

12.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about this case and/or the fact, amount, or terms of the MOU or settlement prior to the Court granting preliminary approval of the settlement.

12.12 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of 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

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

for 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, Plaintiffs 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 makes a written request to Class Counsel for the return, rather than the destruction, of any Class Data or other confidential information.

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

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

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

To Plaintiff Zavala:
JAMES HAWKINS APLC
James R. Hawkins, Esq.
Isandra Fernandez, Esq.
Anthony L. Draper, Esq.
9880 Research Drive, Suite 200
Irvine, CA 92618
Phone: (949) 387-7200
Fax: (949) 387-6676
james@jameshawkinsaplc.com
isandra@jameshawkinsaplc.com
anthony@jameshawkinsaplc.com
staff@jameshawkinsaplc.com

To Plaintiff Alvarado:
D.LAW, INC.
Natalie Haritoonian (SBN 324318)
Jonas Agle (SBN 352712)
Matthew Carraher (SBN 346860)
250 N. Madison Ave. Second Floor
Pasadena, CA 91101
Telephone: (818) 962-6465
Fax: (818) 962-6469

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

n.haritoonian@d.law
j.agle@d.law
m.carraher@d.law

To Defendant:
LightGabler LLP
Chandra A. Beaton
cbeaton@lightgablerlaw.com
Benjamin F. Fraser
bfraser@lightgablerlaw.com
760 Paseo Camarillo, Suite 300
Camarillo, CA 93010
(805) 248-7208
(805) 248-7209 (fax)

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

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

12.18 Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and litigation costs, including expert witness fees in connection with any enforcement actions.

APPROVED:

Dated: _____, 2026

_____
Elvira Zavala

Dated: 07/27, 2026

Signed by:
_____
72CFD71A075340D...
Diana Rosario Alvarado

Docusign Envelope ID: 44078782-CFA0-8A32-82E -7D2729F9CF84

12.18 Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and litigation costs, including expert witness fees in connection with any enforcement actions.

APPROVED:

Dated: 08/142026, 2026

DocuSigned by:
9A6FD77...F3924C8...
Elvira Zavala

Dated: _____, 2026

Diana Rosario Alvarado

Dated: _____, 2026

Costa Mesa Healthcare, Inc. dba
Newport Subacute Healthcare Center
By: _____
Its: _____

APPROVED AS TO FORM:

JAMES HAWKINS APLC

Dated: Aug 17, 2026

James R. Hawkins, Esq.
Isandra Fernandez, Esq.
Anthony L. Draper, Esq.
Attorneys for Plaintiff Elvira Zavala

D.LAW, INC.

Dated: _____, 2026

Natalie Haritoonian
Jonas Agle
Matthew Carraher
Attorneys for Plaintiff Diana Rosario Alvarado

Docusign Envelope ID: 0B434F76-7813-851B-811C-0A397E390F11

Dated: 08/06, 2026

Costa Mesa Healthcare, Inc. dba
Newport Subacute Healthcare Center
By: Kinal Modi
Its: Controller

APPROVED AS TO FORM:

Dated: _____, 2026

JAMES HAWKINS APLC

James R. Hawkins, Esq.
Isandra Fernandez, Esq.
Anthony L. Draper, Esq.
Attorneys for Plaintiff Elvira Zavala

Dated: July 27, 2026

D.LAW, INC.

Natalie Haritoonian
Enoch J. Kim
Matthew Carraher
Attorneys for Plaintiff Diana Rosario Alvarado formerly known as Ines Becerra Alvarado

Dated: 8/7, 2026

LIGHTGABLER LLP

Chandra A. Beaton
Benjamin F. Fraser
Attorneys for Defendant Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Amendment to Class Action and PAGA Settlement Agreement ("Amendment") is made by and between Plaintiff Elvira Zavala ("Plaintiff Zavala") and Plaintiff Diana Rosario Alvarado formerly known as Ines Becerra Alvarado ("Plaintiff Alvarado") (collectively "Plaintiffs") and Costa Mesa Healthcare, Inc., dba Newport Subacute Healthcare Center ("Defendant"). The Amendment refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party." The Parties agree that the terms of the Settlement Agreement have changed as follows:

This Amendment modifies the Settlement Agreement as set forth below. The Settlement Agreement and the Amendment together constitute a binding agreement among the Parties. In the event of a conflict or inconsistency between the terms of the Settlement Agreement, on the one hand, or the terms of this Amendment, on the other hand, the terms of this Amendment shall control. This Amendment has no effect on provisions not specifically enumerated herein. The remainder of the Agreement remains in full effect.

The Parties agree that Paragraphs 3.2.2 of the Settlement Agreement is amended and replaced in its entirety to read as follows:

3.2.2 To Class Counsel: Class Counsel Fees of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be $175,000.00, and Class Counsel Litigation Costs of not more than $30,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Class Counsel Litigation Costs no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a payment for Class Counsel Fees and/or a Class Counsel Litigation Costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Defendant shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of the Class Counsel Fees and/or Class Counsel Litigation Costs. The Administrator will pay the Class Counsel Fees and Class Counsel Litigation Costs using one or more IRS 1099 Forms. Class Counsel shall assume full responsibility and liability for taxes owed on the Class Counsel Fees and the Class Counsel Litigation Costs and agrees to hold Defendant harmless from any dispute or controversy regarding any division or sharing of any of these payments.

In the event that the Court reduces or does not approve the requested Class Counsel Fees Award and/or Class Counsel Litigation Costs Award, Class Counsel reserve their right to appeal such order; however, Plaintiffs and/or Class Counsel shall not request or demand an increase to the Gross Settlement Amount on that basis. The Parties agree that regardless of the amount of attorney fees and costs that the Court approves and awards, the enforceability of this Agreement shall not be affected.

APPROVED AS TO FORM AND CONTENT:

JAMES HAWKINS APLC

Dated: November 13, 2026

James R. Hawkins, Esq.
Isandra Fernandez, Esq.
Anthony L. Draper, Esq.
Attorneys for Plaintiff Elvira Zavala

D.LAW, INC.

Dated: November 13, 2026

Natalie Haritoonian
Enoch J. Kim
Matthew Carraher
Attorneys for Plaintiff Diana Rosario

Dated: November 13, 2026

LIGHTGABLER LLP

Chandra A. Beaton
Benjamin F. Fraser
Attorneys for Defendant Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center

EXHIBIT A

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

Elvira Zavala, Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center

California Superior Court for the County of Orange, Case Nos. 30-2024-01443677-CU-OE-CXC; 30-2025-01489595-CU-OE-CXC

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or a solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from employee class action lawsuits ("Actions") against Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center ("Defendant") for alleged wage and hour violations. Two separate Actions were filed by former employees, Elvira Zavala and Diana Rosario Alvarado, formerly known as Ines Becerra Alvarado ("Plaintiffs"), and seek payment of unpaid wages and other relief for a class of all persons who worked for Defendant as a non-exempt, hourly paid employee in California during the Class Period (December 5, 2020 through November 24, 2025) (hereinafter, the "Class"). The Actions seeks penalties under the California Labor Code Private Attorneys General Act ("PAGA") for all all persons who worked for Defendant as a non-exempt, hourly paid employee in California during the the PAGA Period (December 5, 2023 through November 24, 2025).

Defendant denies violating any laws or failing to pay any wages or penalties and contends that it complied with all applicable laws. Defendant has agreed to a proposed settlement as a compromise of the dispute claims without admitting any liability or wrongdoing. The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

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

The above estimates are based on Defendant's applicable records showing that **you worked _____ Workweeks** during the Class Period in California and **you worked _____ Pay Periods** in California during the PAGA Period. If you believe that you worked more workweeks or Pay Periods in California during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

Read this Notice carefully. The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final

approval. Your legal rights are affected whether you act or do not act. You will be deemed to have carefully read and understood this Notice. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Defendant.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is _____**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all PAGA Members and PAGA Members must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by _____**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally

	object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks/Pay Periods you worked at least one day in California during the Class Period and PAGA Period, respectively. The number of workweeks/Pay Periods you worked during the Class Period and PAGA Period according to Defendant's applicable records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT ARE THE ACTIONS ABOUT?

Plaintiffs are former employees of Defendant. The Actions allege that Defendant violated California labor laws by failing to pay minimum wages, failing to pay overtime wages, failing to pay wages due upon termination, failing to keep required payroll records, failing to reimburse necessary business expenses, failing to provide meal periods, rest breaks, and accurate itemized wage statements, and Business and Professions Code section 17200 *et seq*. Based on the same claims, Plaintiffs have also asserted claims for civil penalties under PAGA.

Defendant strongly denies violating any laws or failing to pay any wages or expenses and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination as to the merits of Plaintiffs' claims in the Actions.

In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Actions by negotiating a settlement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Actions and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable, and adequate amount based on the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing for Final Approval of the Settlement.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay $500,000.00 as the Gross Settlement Amount. Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the

Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the (1) Individual Class Payments, (2) Class Counsel Fees, (3) Class Counsel Litigation Costs, (4) Administration Expenses, (5) Plaintiffs' Class Representative Service Awards, (6) Individual PAGA Payments, and (7) penalties to the LWDA.

a. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement and all employer payroll taxes for the Wage Portion of the Individual Class Payments by transmitting the funds to the Administrator no later than the Effective Date. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the Administrator will mail checks to the appropriate entities and persons.

b. "Effective Date" means the date when all of the following have occurred: the Court has granted final approval to the settlement (including approval of the settlement of the PAGA claim), has entered and filed the final approval order of the settlement and final judgment; and the judgment has become final. The Judgment becomes final as follows: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. In the event any appeal or other challenge is filed concerning the settlement, administration of the settlement shall cease and be stayed pending final resolution of such appeal or challenge without reversal or modification to the settlement and judgment.

2. Court-Approved Payments from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following payments from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

a. Up to 35% of the Gross Settlement Amount to Class Counsel for attorneys' fees ($175,000.00) and up to $30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.

b. Up to $7,500.00 to each Plaintiff for Class Representative Service Awards for filing the Actions, working with Class Counsel, and representing the Class. Class Representative Service Awards will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments and any Individual PAGA Payments.

c. Up to $6,500.00 to the Administrator for administering the Settlement.

d. Up to $40,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to PAGA Members based on the number of Pay Periods they worked during the PAGA Period.

3. Net Settlement Amount Distributed to Class Members. After making the above payments in amounts approved by the Court, the Administrator will distribute the remaining Gross Settlement Amount ("Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on the number of Workweeks they worked during the Class Period.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 45% to interest and business expenses and 45% to penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

   Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check are sent to the California Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out of the Class Settlement ("Request for Exclusion"). The Request for Exclusion should be a letter from the Class Member or his/her representative setting forth the Class Member's name, (ii) last four digits of your Social Security number, (iii) present mailing address, (iv) email address or telephone number, and (v) a simple statement communicating the Class Member's election to be excluded from the Settlement. Class Members who opt-out (i.e., Non-Participating Class Members) will

not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the alleged facts in the Actions.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members and PAGA Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, Xpand Legal (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges regarding workweeks, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Releases of Claims. Effective upon remittance of the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments by Defendant to the Settlement Administrator, Participating Class Members and PAGA Members shall fully and finally release and discharge claims against the Released Parties as follows:

   Release by Participating Class Members: Participating Class Members release and discharge the Released Parties from any and all wage and hour claims, rights, demands, debts, liabilities, causes of action, primary rights, or claims for relief arising out of or related to work performed by Settlement Class Members during the Class Period that: 1) are alleged, were alleged, could have reasonably been alleged in the Complaints in the Actions (including previously filed Complaints in the Actions); or 2) arise out of, are comprised of, and/or are related to the facts, matters, transactions or occurrences alleged in the Complaints in the Actions, whether under federal, state, or common law, including, violations of the California Labor Code, the California Business and Professions Code sections 17200 et seq., the Industrial Welfare Commission Wage Orders. By way of illustration only and not as a limitation, this release includes all types of recovery and relief available for the above-referenced claims and theories of relief, including, without limitation, any claims for unpaid or untimely payment of any wages or other amounts owed, unpaid minimum wage, unpaid overtime, unpaid double-time pay, non-compliant meal periods or rest breaks or for premium pay, provisions regulating hours and days of work in any IWC Order, unreimbursed expenses, failure to timely pay wages during employment or upon separation and

for waiting-time penalties, failure to maintain accurate records, failure to provide accurate, itemized wage statements or other wage statement violations, unfair business practices, and including claims arising therefrom for damages, reimbursement, restitution, losses, penalties, fines, liens, attorneys' fees, costs, expenses, debts, interest, injunctive or declaratory relief, chargebacks, liquidated damages or similar relief. This release does not include claims for vested retirement benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or other claims not explicitly included herein which are unable to be released as a matter of law.

Release by PAGA Members: PAGA Members are deemed to fully and finally release and discharge Released Parties from any and all wage and hour claims, rights, demands, debts, liabilities, causes of action, primary rights, or claims for civil penalties arising out of or related to work performed by PAGA Members for any acts or omissions during the PAGA Period that: 1) are alleged or were alleged, or could have reasonably been alleged in the Complaint in the Actions (including any previously filed Complaint in the Actions) or any PAGA administrative exhaustion/notice letter (including any previously submitted administrative exhaustion/notice letter). This release includes all claims for civil penalties available for the above-referenced claims and theories of relief, including, without limitation, any claims for unpaid or untimely payment of any wages or other amounts owed, unpaid minimum wage, unpaid overtime, unpaid double-time pay, non-compliant meal periods or rest breaks or for premium pay, provisions regulating hours and days of work in any IWC Order, unreimbursed expenses, failure to timely pay wages during employment or upon separation and for waiting-time penalties, failure to maintain accurate records, failure to provide accurate, itemized wage statements or other wage statement violations, and including any claims arising therefrom for any monetary or non-monetary relief, and claims for attorneys' fees, expenses, and costs, that may be obtained under the PAGA statute.

"Released Parties" means Defendant Costa Mesa Healthcare, Inc., dba Newport Subacute Healthcare Center and its current or former officers, partners, directors, shareholders, owners, investors, assigns, attorneys, insurers, agents, independent contractors, employees, joint employers, labor contractors, predecessors, successors, parents, subsidiaries, affiliates, related entities or other representatives of any kind, and related parties that have been asserted or could have reasonably been asserted based on the allegations in the PAGA notices dated December 5, 2024 and December 6, 2024, the Complaints filed December 5, 2024 and December 6, 2024, and the First Amended Complaints filed February 10, 2025 and Februrary 11, 2025.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the

result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $14,000.00 by the total number of PAGA Pay Periods worked by all PAGA Members and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Member.

3. Workweek and PAGA Pay Period Challenges. The number of Workweeks you worked in California during the Class Period and number of Pay Periods you worked in California during the PAGA Period (if any), as recorded in Defendant's applicable records, are stated in the first page of this Notice. You have until _____ to challenge the number of workweeks and/or Pay Periods credited to you. You can submit your challenge by timely signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

   You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of workweeks based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Members. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).

2. PAGA Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Members (including those who opt out of the Class Settlement).

   Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

As explained above, you must submit a Request for Exclusion to the Administrator if you wish to opt-out of the Class Settlement. Your Request for Exclusion must be sent to the Administrator

by mail, fax, or email by _____. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least sixteen (16) court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why Plaintiffs and Class Counsel believe the proposed Settlement is fair and the amounts being requested for Class Counsel fees and litigation expenses and Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____.

Participating Class Members who wish to object will need to mail their objections to the Administrator only. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Actions *Elvira Zavala, Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute Healthcare Center* and include your name, last four digits of your Social Security Number, current mailing address, telephone number, and approximate dates of employment for Defendant and sign the objection. **The deadline for sending written objections to the Administrator is _____.** Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department CX101, California Superior Court, County of Orange, 751 West Santa Ana Blvd., Santa Ana, CA 92701. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from any objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend at your own cost) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (https://civilwebshopping.occourts.org/Login.do;jsessionid=924AA1A3C0712D4A805A8E86BF6BA44F) and entering either Case Numbers 30-2024-01443677-CU-OE-CXC or 30-2025-01489595-CU-OE-CXC.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

D.Law, Inc.
Natalie Haritoonian
n.haritoonian @d.law
n.haritoonian @d.law
j.agle@d.law
Matthew Carraher
m.carraher@d.law
250 N. Madison Ave.
Second Floor
Pasadena CA, 91101
Telephone: (818) 962-6465

JAMES HAWKINS APLC
James R. Hawkins, Esq
Isandra Fernandez, Esq.
Anthony L. Draper, Esq
james@jameshawkinsaplc.com
isandra@jameshawkinsaplc.com
anthony@jameshawkinsaplc.com
9880 Research Drive, Suite 200
Irvine, CA 92618
Phone: (949) 387-7200

Settlement Administrator:
Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the California Controller's Unclaimed Property Fund _____ for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

D.Law

880 E. Broadway
Glendale, CA 91205

(818) 962-6465
(818) 962-6469

December 6, 2024

VIA ON-LINE SUBMISSION ONLY TO:
https://dir.tfaforms.net/128 **(copy by certified mail to all Defendants)**

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Costa Mesa Healthcare, Inc., doing business as Newport Subacute Healthcare Center
1100 Sunset Blvd.
Los Angeles, CA 90012
Certified Mail Tracking Number: 9414 8112 0620 5517 9566 97

Sagar K. Parikh, Registered Agent
Costa Mesa Healthcare, Inc., doing business as Newport Subacute Healthcare Center
1100 Sunset Blvd.
Los Angeles, CA 90012
Certified Mail Tracking Number: 9414 8112 0620 5517 9638 17

Newport Subacute Healthcare
2570 Newport Blvd.
Costa Mesa, CA 92627
Certified Mail Tracking Number: 9414 8112 0620 5517 9645 00

LWDA No.: . LWDA-CM-1065718-24

Re: Labor Code § 2698, *et seq*. Penalties – PAGA Notice Letter to the LWDA
Ines Becerra Alvarado v. Costa Mesa Healthcare, Inc., doing business as Newport Subacute Healthcare Center, et al.
Superior Court for the County of Los Angeles

Gentlepersons:

This office represents Plaintiff Ines Becerra Alvarado ("Plaintiff") and other similarly situated aggrieved non-exempt, hourly employees aggrieved employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226(b), 226.3, 226.7, 351, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq.* and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 et seq.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, Costa Mesa Healthcare, Inc., a California corporation, doing business as Newport Subacute Healthcare Center; Newport Subacute Healthcare; and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with a copy of Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being concurrently filed in Los Angeles County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiff and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiff is also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay for overtime pay, failing to provide sufficient compensation for on-call time, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse for necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform pre-shift and post-shift off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Aggrieved Employees were required to wait in line to be able to access a timeclock and clock in, and they were not paid for this time. Additionally, Defendants required Aggrieved Employees to occasionally come in on weekends to bring in or update paperwork, and Aggrieved Employees were not paid for this time. Furthermore, Defendants required Aggrieved Employees to complete certain trainings for their jobs, and Aggrieved Employees were not paid for this time. Defendants also frequently interrupted Aggrieved Employees' meal periods with work demands, and Aggrieved Employees were not paid for this time.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or shift differential pay paid to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay for on-call time. Specifically, Defendants required Plaintiff to call in to find out whether she had to come into work that day. Plaintiff had to immediately report to work and was not paid on-call pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call pay.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above described requirements to work off the clock, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Additionally, Defendants failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Aggrieved Employees, as required by the applicable Wage Order and Labor Code. Aggrieved Employees were required to perform work as ordered by Defendants for more than five (5) hours during a shift but were often required to do so without receiving a lawful and timely meal break. In addition to untimely meal

periods, Defendants also required Aggrieved Employees to respond to work demands. Defendants placed their needs over Aggrieved Employees' lawful meal and rest breaks and this resulted in Aggrieved Employees often having to work through their scheduled meal and/or rest breaks, or otherwise taking shortened ones, because the demands of the job would not avail them the opportunity to take a lawfully uninterrupted and off duty meal and/or rest break.

On the occasions when Aggrieved Employees worked over 10 hours in a shift, Defendants also failed to provide them with a second, uninterrupted, timely and duty-free meal period. As a result, Defendants' failure to provide Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective hourly rate of pay, including their earned commission, for each meal period or rest break that Defendants failed to provide or deficiently provided.

Therefore, Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective hourly rate of pay, including their earned commission, for each meal period that Defendants failed to provide or deficiently provided.

Aggrieved Employees were also not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks and were not provided with one (1) hour's wages in lieu thereof. Aggrieved Employees were restricted in their ability to take their full ten (10) minutes net rest time or were otherwise not provided with duty-free rest periods. Additionally, to the extent Aggrieved Employees were able to take rest breaks, they were prohibited from leaving the premises. Therefore, Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours; or major fraction thereof, nor did Defendant pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided.

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees do not state the name of the legal entity that is the employer. Thus, the wage statements do not comply with Labor Code § 226(a)(8). Additionally, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Moreover, the wage statements given to Aggrieved Employees failed to non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay overtime compensation. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked by requiring off the clock work and failing to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay for overtime. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also failed to reimburse Aggrieved Employees for necessary business expenses. Defendants have regularly required Plaintiff to incur business expenses in the course of performing his required job duties for Defendants including for medical equipment including blood pressure cuffs and temperature cuffs. Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiff and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Aggrieved Employees for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendant failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages
Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Additionally, pursuant to Labor Code § 204, other

applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform pre-shift and post-shift off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Aggrieved Employees were required to wait in line to be able to access a timeclock and clock in, and they were not paid for this time. Additionally, Defendants required Aggrieved Employees to occasionally come in on weekends to bring in or update paperwork, and Aggrieved Employees were not paid for this time. Furthermore, Defendants required Aggrieved Employees to complete certain trainings for their jobs, and Aggrieved Employees were not paid for this time. Defendants also frequently interrupted Aggrieved Employees' meal periods with work demands, and Aggrieved Employees were not paid for this time.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or shift differential pay paid to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime.

Defendants, and each of them, have also intentionally and improperly changed, adjusted and/or modified Employee hours, or required Employees to do so, and imposed difficult to attain job

and shift scheduling requirements on Plaintiff and the Aggrieved Employees, which resulted in off the clock work and underpayment of all wages owed to Employees over a period of time, while benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiff and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime and double time. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates. Defendants, and each of them, have intentionally and improperly changed, adjusted and/or modified certain employees' hours, including Plaintiff's, or required Aggrieved Employees to do so, or otherwise caused them to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of

eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours,

second meal periods were not provided. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Additionally, to the extent Aggrieved Employees were able to take rest breaks, they were prohibited from leaving the premises.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part

of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide accurate itemized wage statements in writing, as required by the Labor Code and paragraph 7 of the applicable IWC Wage Orders. Any wage statements given to Employees by Defendants necessarily failed to accurately account for wages, overtime, and premium pay, including by failing to pay for all hours worked, failure to pay for all overtime hours worked or at the correct rate of pay and for providing deficient meal periods and rest breaks, all of which Defendants knew or reasonably should have known were owed to the Employees, as alleged above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226€ and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved

Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, and the failure to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate used to calculate and pay for overtime, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, by off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in

accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have regularly required Plaintiff to incur business expenses in the course of performing his required job duties for Defendants including for medical equipment including blood pressure cuffs and temperature cuffs. Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiff and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Aggrieved Employees for all such necessary expenditures, thus entitling them to

reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiff also alleges that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

With their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, *et seq.*

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 *et seq*.

Plaintiff's PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:
After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226(b), 226.3, 226.7, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq*. and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1); +

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and

failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

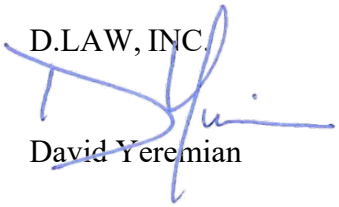
We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Costa Mesa Healthcare, Inc., doing business as Newport Subacute Healthcare Center; Newport Subacute Healthcare;and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.



David Yeremian

Cc: Costa Mesa Healthcare, Inc., doing business as Newport Subacute Healthcare Center; Newport Subacute Healthcare; by Certified Mail

D.LAW, INC.
Emil Davtyan (SBN 299363)
Emil@d.law
David Yeremian (SBN 226337)
d.yeremian@d.law
Natalie Haritoonian (SBN 324318)
n.haritoonian@d.law
Jonas Agle (SBN 352712)
j.agle@d.law
880 E Broadway
Glendale, CA 91205
Telephone: (818) 962-6465
Fax: (818) 962-6469

Attorneys for Plaintiff INES BECERRA ALVARADO,
on behalf of herself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

INES BECERRA ALVARADO, an individual on behalf of herself and all others similarly situated, Plaintiff, vs. COSTA MESA HEALTHCARE, INC., a California corporation doing business as NEWPORT SUBACUTE HEALTHCARE CENTER; NEWPORT SUBACUTE HEALTHCARE, a business entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	Case No.: CLASS ACTION Assigned for All Purposes To: Hon. Dept.: **CLASS ACTION COMPLAINT FOR:** 1. Failure to Pay Minimum Wages; 2. Failure to Pay Wages and Overtime Under Labor Code § 510; 3. Meal Period Liability Under Labor Code § 226.7; 4. Rest-Break Liability Under Labor Code § 226.7; 5. Violation of Labor Code § 226(a); 6. Violation of Labor Code § 203; 7. Violation of Labor Code § 204; 8. Failure to Keep Required Payroll Records under Labor Code §§ 1174 and 1174.5; 9. Failure to Reimburse Necessary Business Expenses § 2802; and 10. Violation of Business & Professions Code § 17200 *et seq*. **DEMAND FOR JURY TRIAL**

INTRODUCTION

1. Plaintiff INES BECERRA ALVARADO ("Plaintiff") brings this action on behalf of herself and the Class Members who are defined as "all current and former employees within the State of California who, at any time from four (4) years prior to the filing of this lawsuit, are or were employed as non-exempt hourly employees by Defendants COSTA MESA HEALTHCARE, INC., a California corporation doing business as NEWPORT SUBACUTE HEALTHCARE CENTER, NEWPORT SUBACUTE HEALTHCARE, a business entity of unknown form; and DOES 1 through 50" (all defendants being collectively referred to herein as "Defendants").

2. Plaintiff alleges that Defendants, and each of them, violated various provisions of the California Labor Code, relevant orders of the Industrial Welfare Commission (IWC), and the California Business & Professions Code, and seeks redress for these violations.

3. Upon information and belief, Plaintiff was employed by Defendants and (1) shared similar job duties and responsibilities; (2) was subjected to the same policies and practices; and (3) endured similar violations at the hands of Defendants as the other Class Members who served in similar and related positions.

THE PARTIES

A. The Plaintiff

4. Plaintiff INES BECERRA ALVARADO resides in California, during the time period relevant to this Complaint, was employed by Defendants as a non-exempt hourly employee within the State of California.

B. The Defendants

5. Defendant COSTA MESA HEALTHCARE, INC., doing business as NEWPORT SUBACUTE HEALTHCARE CENTER is a California corporation and is registered with the California Secretary of State. Defendant COSTA MESA HEALTHCARE, INC., doing business as NEWPORT SUBACUTE HEALTHCARE CENTER has been the employer listed on the wage statements and employment records issued to Plaintiff during the relevant time period that Plaintiff was employed with Defendants. Defendant COSTA MESA HEALTHCARE, INC. d/b/a NEWPORT SUBACUTE HEALTHCARE CENTER, employs Plaintiff and the Class Members in

California, including at Defendants' offices and facilities in Costa Mesa, California, and throughout California, and conducts business throughout California.

6. Defendant NEWPORT SUBACUTE HEALTHCARE is a business entity of unknown form. Defendant NEWPORT SUBACUTE HEALTHCARE has been the employer listed on the employment records issued to Plaintiff during the relevant time period that Plaintiff was employed with Defendants.

7. The true names and capacities, whether individual, corporate, associate, or whatever else, of the Defendants sued herein as Does 1 through 50, inclusive, are currently unknown to Plaintiff, who therefore sue these Defendants by such fictitious names under Code of Civil Procedure § 474. Plaintiff is informed and believes and thereon alleges that Defendants designated herein as Does 1 through 50, inclusive, and each of them, are legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated herein as Does 1 through 50 when their identities become known.

8. Plaintiff is informed and believes and thereon alleges that each Defendant acted in all respects pertinent to this action as the agent of the other Defendants, that Defendants carried out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in all respects as the employers or joint employers of Class Members. Defendants, and each of them, exercised control over the wages, hours or working conditions of Class Members, or suffered or permitted Class Members to work, or engaged, thereby creating a common law employment relationship, with Class Members. Therefore, Defendants, and each of them, employed or jointly employed Class Members.

9. Whenever and wherever reference is made in this Complaint to any act by a defendant or defendants, such allegations and references shall also be deemed to mean the acts and failures to act of each defendant acting individually, jointly, and severally.

10. Whenever and wherever reference is made to individuals who are not named as a Defendant in this Complaint but were agents, servants, employees and/or supervisors of

Defendants, such individuals at all relevant times acted on behalf of Defendants within the scope of their employment.

JURISDICTION AND VENUE

11. This Court has jurisdiction over this Action pursuant to California Code of Civil Procedure § 410.10 and California Business & Professions Code § 17203. This Action is brought as a Class Action on behalf of similarly situated Class Members of Defendants pursuant to California Code of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial district pursuant to California Code of Civil Procedure § 395 *et seq*. Upon information and belief, the obligations and liabilities giving rise to this lawsuit occurred in part in Los Angeles County. Defendants maintain and operate facilities in Los Angeles County and employs Plaintiff and other Class Members in Los Angeles County, while doing business throughout California.

FACTUAL BACKGROUND

12. Class Members consistently worked at Defendants behest without being paid all wages due. Class Members were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to pay Class Members all wages due and owing, including by requiring off the clock work, failing to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay for overtime pay, failing to provide sufficient compensation for on-call time, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

13. During the course of Class Members' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Defendants required Class Members to perform pre-shift and post-shift off the clock work. For instance, at the beginning of Class Members' shift, they were required to wait in line to be able to access a timeclock and clock in, and they were not paid for this time. Additionally, Defendants required Class Members to occasionally come in on weekends to bring in or update paperwork,

and Class Members were not paid for this time. Furthermore, Defendants required Class Members to complete certain trainings for their jobs, and Class Members were not paid for this time. Defendants also frequently interrupted Class Members' meal periods with work demands, and Class Members were not paid for this time.

14. Defendants also failed to pay Class Members all wages due and owing because Defendants failed to incorporate non-discretionary, performance-based bonuses and/or shift differential pay into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC Wage Orders under California law, Defendants did not incorporate these non-discretionary bonuses and/or shift differential pay paid to the Class Members into the regular rate of pay Defendants used to calculate and pay for overtime.

15. Defendants also failed to pay Class Members all wages due and owing because Defendants failed to pay for on-call time. Specifically, Defendants required Plaintiff to call in to find out whether she had to come into work that day. Plaintiff had to immediately report to work and was not paid on-call pay. Upon information and belief, Class Members were also required to be on-call and were not compensated for on-call pay.

16. By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, and the failure to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay, Defendants' willful actions resulted in the systematic underpayment of wages to Class Members, including underpayment of overtime pay to Class Members over the relevant time period. For example, the above described off the clock work addressed above caused Plaintiff to begin receiving overtime pay later than they should have.

17. As a result of the above described requirements to work off the clock, the failure to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay, and the other wage violations they endured at Defendants' hands, Class Members were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week.

18. As a result of Defendants' unlawful policies and practices, Class Members incurred overtime hours worked for which they were not adequately and completely compensated, in

addition to the hours they were required to work off the clock. To the extent applicable, Defendants also failed to pay Class Members at an overtime rate of 1.5 times the regular rate for the first eight hours of the seventh consecutive work day in a week and overtime payments at the rate of 2 times the regular rate for hours worked over eight (8) on the seventh consecutive work day, as required under the Labor Code and applicable IWC Wage Orders.

19. Therefore, from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants had a consistent policy or practice of failing to pay Class Members for all hours worked, and failing to pay minimum wages for all time worked, as required by California law. Defendants thus failed to pay Class Members at least minimum wages for all the time they worked for Defendants in violation of the Labor Code and applicable IWC Wage Orders as the actual times when Class Members were under the control and direction of Defendants was under reported in the hours reflected on the timekeeping records. Furthermore, Defendants' willful actions resulted in the systematic underpayment of wages to Class Members, including underpayment of overtime pay to Class Members over a period of time.

20. Therefore, from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants had a consistent policy or practice of failing to pay Class Members for all hours worked. Also, from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants also had a consistent policy or practice of failing to pay Class Members their true and correct overtime compensation at premium overtime rates for all hours worked in excess of eight (8) hours a day and/or forty (40) hours a week, and double-time rates for all hours worked in excess of twelve (12) hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders.

21. Additionally, Defendants failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Class Members, as required by the applicable Wage Order and Labor Code. Class Members were required to perform work as ordered by Defendants for more than five (5) hours during a shift but were often required to do so without receiving a lawful and timely meal break. In addition to untimely meal periods, Defendants also required Class Members to respond to work demands. Defendants placed their

needs over Class Members lawful meal and rest breaks and this resulted in Class Members often having to work through their scheduled meal and/or rest breaks, or otherwise taking shortened ones, because the demands of the job would not avail them the opportunity to take a lawfully uninterrupted and off duty meal and/or rest break.

22. On the occasions when Class Members worked over 10 hours in a shift, Defendants also failed to provide them with a second, uninterrupted, timely and duty-free meal period. As a result, Defendants' failure to provide Class Members with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Defendants also failed to pay Class Members "premium pay," i.e. one hour of wages at each Class Member's effective hourly rate of pay, for each meal period or rest break that Defendants failed to provide or deficiently provided.

23. Therefore, for at least four years prior to the filing of this action and through to the present, Defendants have regularly required Class Members to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Class Members "premium pay," i.e. one hour of wages at each Class Member's effective hourly rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

24. Meal period violations thus occurred in one or more of the following manners:

(a) Class Members were not provided full thirty-minute duty free meal periods for work days in excess of five (5) hours and were not compensated one (1) hour's wages in lieu thereof, all in violation of, among others, Labor Code §§ 226.7, 512, and the applicable Industrial Welfare Commission Wage Order(s);

(b) Class Members were not provided second full thirty-minute duty free meal periods for work days in excess of ten (10) hours;

(c) Class Members were required to work through at least part of their daily meal period(s);

(d) Meal periods were provided after five (5) hours of continuous work during a shift; and

(e) Class Members were restricted in their ability to take a full thirty-minute meal period.

25. Class Members were also not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks and were not provided with one (1) hour's wages in lieu thereof. Class Members were restricted in their ability to take their full ten (10) minutes net rest time or were otherwise not provided with duty-free rest periods. Therefore, from at least four years prior to the filing of this lawsuit and continuing to the present, Defendants have consistently failed to provide Class Members with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours; or major fraction thereof, nor did Defendant pay Class Members premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. Moreover, to the extent Class Members were permitted to take rest breaks, they were prohibited from leaving the premises.

26. Rest period violations therefore arose in one or more of the following manners:

(a) Class Members were required to work without being provided a minimum ten (10) minute rest period for every four (4) hours or major fraction thereof worked and were not compensated one (1) hour of pay at their regular rate of compensation for each workday that a rest period was not provided;

(b) Class Members were not authorized and permitted to take timely rest periods for every four hours worked, or major fraction thereof; and

(c) Class Members were required to remain on-duty during rest periods or otherwise had their rest periods interrupted by work demands.

27. Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Class Members do not accurately state the name of the legal entity that is the employer. Thus, the wage statements do not comply with Labor Code § 226(a)(8). Additionally, the wage statements given to Class

Members failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Moreover, the wage statements given to Class Members failed to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay overtime compensation. Additionally, the wage statements given to Class Members failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

28. From at least four (4) years prior to filing this lawsuit and continuing to the present, Defendants have thus also had a consistent policy of failing to pay all wages owed to Class Members at the time of their termination of within seventy-two (72) hours of their resignation, as required by California wage-and-hour laws. Specifically, Class Members were not paid all regular and overtime wages because Defendants failed to pay for all hours worked by requiring off the clock work and failing to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay for overtime. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods, as further detailed in this Complaint. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

29. Additionally, from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants have regularly required Class Members to incur business expenses in the course of performing their required job duties for Defendants including for medical equipment including blood pressure cuffs and temperature cuffs. Upon information and belief, Class Members incurred similar costs. These expenses incurred by Class Members were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Class Members for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

30. In light of the foregoing, Plaintiff and Class Members bring this action pursuant to, *inter alia*, Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 248, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802 and California Code of

Regulations, Title 8, section 11000 *et seq*.

31. Furthermore, pursuant to Business and Professions Code §§ 17200-17208, Plaintiff and the Class Members seek injunctive relief, restitution, and disgorgement of all benefits Defendants have enjoyed from their violations of Labor Code and the other unfair, unlawful, or fraudulent practices alleged in this Complaint.

CLASS ALLEGATIONS

32. Plaintiff seeks to represent the Subclasses composed of and defined as follows:

a. Subclass 1. Minimum Wages Subclass. All Class Members who were not compensated for all hours worked for Defendants at the applicable minimum wage.

b. Subclass 2. Wages and Overtime Subclass. All Class Members who were not compensated for all hours worked for Defendants at the required rates of pay, including for all hours worked in excess of eight in a day and/or forty in a week.

c. Subclass 3. Meal Period Subclass. All Class Members who were subject to Defendants' policy and/or practice of failing to provide unpaid 30-minute uninterrupted and duty-free meal periods or one hour of pay at the Class Member's regular rate of pay in lieu thereof.

d. Subclass 4. Rest Break Subclass. All Class Members who were subject to Defendants' policy and/or practice of failing to authorize and permit Class Members to take uninterrupted, duty-free, 10-minute rest periods for every four hours worked, or major fraction thereof, and failing to pay one hour of pay at the Class Member's regular rate of pay in lieu thereof.

e. Subclass 5. Wage Statement Subclass. All Class Members who, within the applicable limitations period, were not provided with accurate itemized wage statements.

f. Subclass 6. Termination Pay Subclass. All Class Members who, within the applicable limitations period, either voluntarily or involuntarily separated from their employment and were subject to Defendants' policy and/or practice of failing to timely pay wages upon termination.

g. Subclass 7: Failure to Timely Pay Wages Twice Monthly Subclass. All Class Members who were subject to Defendants' policy and practice of not timely paying all wages

earned when they were due and payable at least twice monthly.

h. Subclass 8. Payroll Records Subclass. All Class members who were subject to Defendants' policy and/or practice of failing to keep accurate time and wage records as required by California wage-and-hour laws.

i. Subclass 9. Expense Reimbursement Subclass. All Class Members who incurred necessary and reasonable expenses in connection with performing their job duties for Defendant and who were subject to a policy and/or practice under which such expenses were not reimbursed.

j. Subclass 10. UCL Subclass. All Class Members who are owed restitution as a result of Defendants' business acts and practices, to the extent such acts and practices are found to be unlawful, deceptive, and/or unfair.

33. Plaintiff reserves the right under California Rule of Court 3.765 to amend or modify the class description with greater particularity or further division into subclasses or limitation to particular issues. To the extent equitable tolling operates to toll claims by the Class against Defendants, the Class Period should be adjusted accordingly.

34. Defendants, as a matter of company policy, practice and procedure, and in violation of the applicable Labor Code, Industrial Welfare Commission ("IWC") Wage Order requirements, and the applicable provisions of California law, intentionally, knowingly, and willfully, engaged in a practice whereby Defendants failed to correctly calculate compensation for the time worked by Class Members, even though Defendants enjoyed the benefit of this work, required Class Members to perform this work and permitted or suffered to permit this work. Defendants have uniformly denied these Class Members wages to which these employees are entitled and failed to provide meal periods or authorize and permit rest periods, in order to unfairly cheat the competition and unlawfully profit.

35. This action has been brought and may properly be maintained as a class action under the provisions of Code of Civil Procedure § 382 because there is a well-defined community of interest in litigation and proposed class is easily ascertainable.

///

A. Numerosity

36. The potential members of the class as defined are so numerous that joinder of all the member of the class is impracticable. While the precise number of class member has not been determined at this time, Plaintiff is informed and believes that Defendants employ or, during the time period relevant to this lawsuit, hundreds of employees who satisfy the Class definition within the State of California.

37. Accounting for employee turnover during the relevant time period increases this number substantially. Plaintiff alleges that Defendants' employment records will provide information as to the number and location of all Class Members.

B. Commonality

38. There are questions of law and fact common to the Class that predominates over any questions affecting only individual Class Members. These common questions of law and fact include:

a. Whether Defendants failed to pay Class Members minimum wages;

b. Whether Defendants failed to pay Class Members wages for all hours worked;

c. Whether Defendants failed to pay Class Members overtime as required under Labor Code § 510;

d. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable IWC Wage Orders, by failing to provide Class Members with requisite meal periods or premium pay in lieu thereof;

e. Whether Defendants violated Labor Code §§ 226.7, and the applicable IWC Wage Orders, by failing to authorize and permit Class Members to take requisite rest breaks or provide premium pay in lieu thereof;

f. Whether Defendants violated Labor Code § 226(a) by providing Class Members with inaccurate wage statements;

g. Whether Defendants violated Labor Code §§ 201, 202, and 203 by failing to pay wages and compensation due and owing at the time of termination of employment;

h. Whether Defendants' conduct was willful;

i. Whether Defendants violated Labor Code § 226 and § 1174 and the IWC Wage

Orders by failing to maintain accurate records of Class Members' earned wages and work periods;

j. Whether Defendants violated Labor Code § 1194 by failing to compensate all Class Members during the relevant time period for all hours worked, whether regular or overtime;

k. Whether Defendants violated Labor Code § 204 by failing to timely pay wages;

l. Whether Defendants violated Labor Code § 2802 by failing to reimburse all necessary business expenses Defendants required them to incur in performing their job duties;

m. Whether Defendants violated Business and Professions Code § 17200 *et seq.*; and

n. Whether Class Members are entitled to equitable relief pursuant to Business and Professions Code § 17200 *et seq*.

C. Typicality

39. The claims of the named plaintiff is typical of those of Class Members. The Class Members all sustained injuries and damages arising out of and caused by Defendants' common course of conduct in violation of statutes, as well as regulations that have the force and effect of law, as alleged herein.

D. Adequacy of Representation

40. Plaintiff will fairly and adequately represent and protect the interest of the Class Members. Counsel who represents Class Members are experienced and competent in litigating employment class actions.

E. Superiority of Class Action

41. A class action is superior to other available means for the fair and efficient adjudication of this controversy. Individual joinder of all Class Members is not practicable, and questions of law and fact common to all Class Members predominate over any questions affecting only individual Class Members. Each Class Member has been damaged and is entitled to recovery by reason of Defendants' illegal policies or practices of failing to compensate Class Members properly.

42. As to the issues raised in this case, a class action is superior to all other methods for the fair and efficient adjudication of this controversy, as joinder of all Class Members is impracticable and many legal and factual questions to be adjudicated apply uniformly to all Class Members. Further, as the economic or other loss suffered by vast numbers of Class Members may be relatively small, the expense and burden of individual actions makes it difficult for the Class Members to individually redress the wrongs they have suffered. Moreover, in the event disgorgement is ordered, a class action is the only mechanism that will permit the employment of a fluid fund recovery to ensure that equity is achieved. There will be relatively little difficulty in managing this case as a class action, and proceeding on a class-wide basis will permit Class Members to vindicate their rights for violations they endured which they would otherwise be foreclosed from receiving in a multiplicity of individual lawsuits that would be cost prohibitive to them.

43. Class action treatment will allow those persons similarly situated to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiff is unaware of any difficulties in managing this case that should preclude class treatment. Plaintiff contemplates the eventual issuance of notice to the proposed Class Members that would set forth the subject and nature of the instant action. The Defendants' own business records can be utilized for assistance in the preparation and issuance of the contemplated notices. To the extent that any further notice is required additional media and/or mailings can be used.

44. Defendants, as prospective and actual employers of the Class Members, had a special fiduciary duty to disclose to prospective Class Members the true facts surrounding Defendants' pay practices, policies and working conditions imposed upon Class Members as well as the effect of any alleged arbitration agreements that may have been forced upon them. In addition, Defendants knew they possessed special knowledge about pay practices and policies, most notably intentionally refusing to pay for all hours actually worked which should have been recorded in Defendants' pay records and the consequence of the alleged arbitration agreements and policies and practices on Class Members.

45. Class Members did not discover the fact that they were entitled to all pay under the

Labor Code until shortly before the filing of this lawsuit nor was there ever any discussion about Plaintiff's and the Class' wavier of their Constitutional rights of trial by jury, right to collectively organize and oppose unlawful pay practices under California law as well as obtain injunctive relief preventing such practices from continuing. As a result, the applicable statutes of limitation were tolled until such time as Plaintiff and the Class Members discovered their claims.

FIRST CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

(Against All Defendants)

46. Plaintiff re-alleges and incorporate all preceding paragraphs, as though set forth in full herein.

47. Defendants failed to pay Class Members minimum wages for all hours worked. Defendants had a consistent policy of misstating Class Members' time records and failing to pay Class Members for all hours worked. Class Members would work hours and not receive wages, including as alleged above in connection with off the clock work. Additionally, Defendants failed to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay overtime. Defendants, and each of them, have intentionally and improperly changed, adjusted and/or modified the hours of Class Members, which resulted in off the clock work and underpayment of all wages owed to Class Members over a period of time, while benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Class Members, to their detriment. Additionally, Defendants had a consistent policy of failing to pay Class Members for hours worked during alleged meal and rest periods for which Class Members were consistently denied, as also addressed herein. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Class as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Class Members as to minimum wage pay.

48. In California, employees must be paid at least the then applicable state minimum wage for all hours worked. (IWC Wage Order MW-2014). Additionally, pursuant to California Labor Code § 204, other applicable laws and regulations, and public policy, an employer must

timely pay its employees for all hours worked. Defendants failed to do so.

49. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful."

50. The applicable minimum wages fixed by the commission for work during the relevant period is found in Paragraph 4(A)-4(D) of the IWC Wage Orders.

51. The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

52. As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate and no part of this rate may be used as a credit against a minimum wage obligation.

53. In committing these violations of the California Labor Code, Defendants inaccurately recorded, or required Class Members to input times that did not reflect their actual hours worked, or calculated the correct time worked and consequently underpaid the actual time worked by Class Members. Defendants acted in an illegal attempt to avoid the payment of all earned wages, and other benefits in violation of the California Labor Code, the Industrial Welfare Commission requirements and other applicable laws and regulations. As a result of these violations, Defendant also failed to timely pay all wages earned in accordance with California Labor Code § 1194.

54. California Labor Code § 1194.2 also provides for the following remedies: "In any action under Section 1194 . . . to recover wages because of the payment of a wage less than the

minimum wages fixed by an order of the commission, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon."

55. In addition to restitution for all unpaid wages, pursuant to California Labor Code § 1197.1, Class Members are entitled to recover a penalty of $100.00 for the initial failure to timely pay each employee minimum wages, and $250.00 for each subsequent failure to pay each employee minimum wages.

56. Pursuant to California Labor Code § 1194.2, Class Members are further entitled to recover liquidated damages in an amount equal to wages unlawfully unpaid and interest thereon.

57. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Class Members.

58. Wherefore, Class Members are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other members of the Class further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code, including § 558, and/or other applicable statutes.

SECOND CAUSE OF ACTION

FAILURE TO PAY WAGES AND OVERTIME UNDER LABOR CODE § 510

(Against All Defendants)

59. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

60. California Labor Code § 1194 provides that "any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit." The action may be maintained directly against the employer in an employee's name without first filing a

claim with the Division of Labor Standards and Enforcement.

61. By their conduct, as set forth herein, Defendants violated California Labor Code § 510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Class Members: (a) time and one-half their regular hourly rates for hours worked in excess of eight (8) hours in a workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of eight (8) hours on any seventh day of work in a workweek.

62. Defendants had a consistent policy of not paying Class Members wages for all hours worked, including by requiring off the clock work as addressed above. Additionally, Defendants failed to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay overtime. Defendants, and each of them, have intentionally and improperly changed, adjusted and/or modified certain employees' hours, including Plaintiff's, in order to avoid paying Class Members all earned and owed straight time and overtime wages and other benefits, in violation of the California Labor Code, the California Code of Regulations and the IWC Wage Orders and guidelines set forth by the Division of Labor Standards and Enforcement. Defendants have also violated these provisions by requiring Class Members to work through portions of their meal period. Therefore, Class Members were not properly compensated, nor were they paid overtime rates for hours worked in excess of eight hours in a given day, and/or forty hours in a given week. Based on information and belief, Defendants did not make available to Class Members a reasonable protocol for correcting time records when Class Members worked overtime hours or to fix incorrect time entries.

63. Defendants' failure to pay Class Members the unpaid balance of regular wages owed and overtime compensation, as required by California law, violates the provisions of Labor Code §§ 510 and 1198, and is therefore unlawful.

64. Additionally, Labor Code § 558(a) provides "any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provisions regulating hours and days of work in any order of the IWC shall be subject to a civil

penalty as follows: (1) For any violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee." Labor Code § 558(c) states, "the civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." Defendants have violated provisions of the Labor Code regulating hours and days of work as well as the IWC Wage Orders. Accordingly, Plaintiff and the Class Members seek the remedies set forth in Labor Code § 558.

65. Defendants' failure to pay compensation in a timely fashion also constituted a violation of California Labor Code § 204, which requires that all wages shall be paid semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct violation of that provision of the California Labor Code, Defendants have failed to pay all wages and overtime compensation earned by Class Members. Each such failure to make a timely payment of compensation to Class Members constitutes a separate violation of California Labor Code § 204.

66. Class Members have been damaged by these violations of California Labor Code §§ 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

67. Consequently, pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, and 1194, and the applicable IWC Wage Order, paragraph 3(A) and 4(B), Defendants are liable to Class Members for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes.

THIRD CAUSE OF ACTION

MEAL-PERIOD LIABILITY UNDER LABOR CODE § 226.7

(Against All Defendants)

68. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

69. Class Members regularly worked shifts greater than five (5) hours and in some instances, greater than ten (10) hours. Pursuant to Labor Code § 512 an employer may not employ someone for a shift of more than five (5) hours without providing him or her with a meal period of not less than thirty (30) minutes or for a shift of more than ten (10) hours without providing him or her with a second meal period of not less than thirty (30) minutes.

70. Defendants failed to provide Class Members with meal periods as required under the Labor Code. Defendants placed their needs over Class Members lawful meal breaks and this resulted in Class Members consistently having to work through their scheduled meal breaks because the demands of the job would not avail them the opportunity to take a lawfully uninterrupted and off-duty meal break. Furthermore, upon information and belief, on the occasions when Class Members worked more than ten (10) hours in a given shift, they did so without receiving a second uninterrupted thirty (30) minute meal period as required by law.

71. Defendants thus failed to provide Class Members with meal periods as required by the Labor Code, including by not providing them with the opportunity to take meal breaks, by providing them late or for less than thirty (30) minutes, or by requiring them to perform work during breaks.

72. Moreover, Defendants failed to compensate Class Members for each meal period not provided or inadequately provided, as required under Labor Code § 226.7 and paragraph 11 of the applicable IWC Wage Orders, which provide that, if an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. Defendants failed to compensate Class Members for each meal period not provided or inadequately provided, as required under Labor Code § 226.7.

73. Therefore, pursuant to Labor Code § 226.7 and the applicable IWC Wage Order, paragraph 11, Class Members are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each meal period not provided or deficiently provided, a

sum to be proven at trial, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code and other statutes.

FOURTH CAUSE OF ACTION

REST-BREAK LIABILITY UNDER LABOR CODE § 226.7

(Against All Defendants)

74. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

75. Labor Code §§ 226.7 and paragraph 12 of the applicable IWC Wage Orders provide that employers must authorize and permit all employees to take rest periods at the rate of ten (10) minutes net rest time per four (4) work hours.

76. Class Members consistently worked consecutive four (4) hour shifts and were generally scheduled for shifts of greater than 3.5 hours total, thus requiring Defendants to authorize and permit them to take rest periods. Pursuant to the Labor Code and the applicable IWC Wage Order, Class Members were entitled to paid rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift, and Defendants failed to provide Class Members with timely rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift. Defendants placed their needs over Class Members lawful rest breaks and this resulted in Class Members consistently having to work through their scheduled rest breaks because the demands of the job would not avail them the opportunity to take a lawfully uninterrupted and off-duty rest break. Thus, Class Members were consistently denied of their rest breaks. Additionally, to the extent Class Members were able to take rest breaks, they were prohibited from leaving the premises.

77. Labor Code §§ 226.7 and paragraph 12 of the applicable IWC Wage Orders provide that if an employer fails to provide an employee rest period in accordance with this section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

78. Defendants, and each of them, have therefore intentionally and improperly denied rest periods to Class Members in violation of Labor Code §§ 226.7 and 512 and paragraph 12 of the applicable IWC Wage Orders.

79. Defendants failed to authorize and permit Class Members to take rest periods, as required by the Labor Code. Moreover, Defendants did not compensate Class Members with an additional hour of pay at each Class Member's effective hourly rate for each day that Defendants failed to provide them with adequate rest breaks, as required under Labor Code § 226.7.

80. Therefore, pursuant to Labor Code § 226.7 and paragraph 12 of the applicable IWC Wage Orders, Class Members are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each day worked without the required rest breaks, a sum to be proven at trial, as well as the assessment of any statutory penalties against Defendants, and each of them, in a sum as provided by the Labor Code and/or other statutes.

FIFTH CAUSE OF ACTION

VIOLATION OF LABOR CODE § 226(a)

(Against All Defendants)

81. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

82. California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized statement in writing showing the gross and net earnings, total hours worked, and the corresponding number of hours worked at each hourly rate; these statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

83. Defendants failed to provide Class Members with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Class Members do not state the name of the legal entity that is the employer. Thus, the wage statements do not comply with Labor Code § 226(a)(8). Additionally, the wage statements given to Class Members failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Moreover, the wage statements given to Class Members failed to incorporate non-discretionary bonuses and/or shift differential

pay into the regular rate of pay used to calculate and pay overtime compensation. Additionally, the wage statements given to Class Members failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

84. Throughout the liability period, Defendants intentionally failed to furnish to Class Members, upon each payment of wages, itemized statements accurately showing: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee pursuant to Labor Code § 226, amongst other statutory requirements. Defendants knowingly and intentionally failed to provide Class Members with such timely and accurate wage and hour statements.

85. Class Members suffered injury as a result of Defendants' knowing and intentional failure to provide them with the accurate wage and hour statements as required by law and are presumed to have suffered injury and be entitled to penalties under Labor Code § 226(e), as the Defendants have failed to provide wage statements with accurate and complete information as required by any one or more of items Labor Code § 226 (a)(1) to (9), inclusive, and Class Members cannot promptly and easily determine from the wage statement alone one or more of the following: (i) The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), and (9) of subdivision (a), (ii) Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period, (iii) The name and address of the employer and, (iv) The name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number. For purposes of Labor Code § 226(e) "promptly and easily determine" means a reasonable person [i.e. an objective standard] would be able to readily

ascertain the information without reference to other documents or information.

86. Therefore, as a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Class Members suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

87. Pursuant to Labor Code §§ 226(a) and 226(e) and 1174, and the applicable IWC Wage Order, paragraph 7(B), Class Members are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

SIXTH CAUSE OF ACTION

VIOLATION OF LABOR CODE § 203

(Against All Defendants)

88. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

89. Numerous Class Members are no longer employed by Defendants; they either quit Defendants' employ or were fired therefrom.

90. Defendants failed to pay these Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation.

91. The wages withheld from these Class Members by Defendants remained due and owing for more than thirty (30) days from the date of separation from employment.

92. Defendants failed to pay Class Members without abatement, all wages as defined by applicable California law. Specifically, Class Members were not paid all regular and overtime wages because Defendants failed to pay for all hours worked by requiring off the clock work and failing to incorporate non-discretionary bonuses and/or shift differential pay into the regular rate of pay used to calculate and pay for overtime. Additionally, Defendants failed to pay premium

wages owed for unprovided meal periods and rest periods, as further detailed in this Complaint. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

93. Defendants' failure to pay wages, as alleged entitles these Class Members to penalties under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

SEVENTH CAUSE OF ACTION

VIOLATION OF LABOR CODE § 204

(Against All Defendants)

94. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

95. Labor Code § 204 instructs that: "All wages, …earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month." Additionally, the requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period." As detailed above, Defendants maintained a consistently applied policy and practice of not paying all wages earned between the 1st and 15th days of a month between the 16th and 26th day and failed to pay all wages earned between the 16th and the last day of the month between the 1st and 10th day of the following month. Defendants similarly failed to pay all wages earned by not more than seven calendar days following the close of the payroll period. These failures arose from Defendants' failure to pay for all hours worked.

96. All wages due and owing to Plaintiff and the Class Members, including as required under Labor Code § 510, were therefore not timely paid by Defendants, as addressed in detail

above. Additionally, wages required by Labor Code § 1194 and other sections became due and payable to each Class Member in each pay period that he or she was not provided with a meal period or rest period or paid straight or overtime wages or commissions to which he or she was entitled.

97. Defendants thus violated Labor Code § 204 by systematically refusing to pay wages due under the Labor Code, as addressed above. Additionally, under paragraph 4(B) of the applicable IWC Wage Orders, employers are required "to pay each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, …" Under Labor Code § 1198, "[t]he employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Plaintiff and the Class Members may therefore pursue damages and penalties for violations of Labor Code § 204 and paragraph 4(B) of the applicable IWC Wage Orders, including penalties under paragraph 20 of the applicable IWC Wage Orders.

98. As a result of the unlawful acts of Defendants, Plaintiff and Class Members seek to represent they have been deprived of wages in amounts to be determined at trial, and they are entitled to recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs, pursuant to Labor Code § 210, 218.5, 1194 and 1198, and paragraphs 4(B) and 20 of the applicable IWC Wage Orders.

///

///

///

///

EIGHTH CAUSE OF ACTION

FAILURE TO KEEP REQUIRED PAYROLL RECORDS UNDER LABOR CODE § 1174 AND 1174.5

(Against All Defendants)

99. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

100. California Labor Code § 1174 requires that all employers shall keep accurate time and wage records for all employees. California Labor Code § 1174.5 further requires that any employee suffering injury due to a willful violation of the aforementioned obligations may seek damages, including civil penalties, from the employer.

101. During the course of Plaintiff's and Class Members' employment, Defendants consistently failed to maintain accurate time and wage records for Plaintiff and Class Members as required by California Labor Code § 1174 by failing to pay Plaintiff and Class Members proper wages, overtime, and premium pay as discussed above.

102. Accordingly, Defendants are liable for civil penalties pursuant to the California Labor Code § 1174.5 for the three (3) years prior to the filing of this Complaint.

NINTH CAUSE OF ACTION

REIMBURSEMENT OF NECESSARY EXPENDITURES UNDER LABOR CODE § 2802

(Against All Defendants)

103. Plaintiff re-alleges and incorporates all preceding paragraphs as though set forth in full herein.

104. Under Labor Code § 2802(a) an employer must indemnify its employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.

105. Defendants have regularly required Class Members to incur business expenses in the course of performing their required job duties for Defendants including for medical equipment including blood pressure cuffs and temperature cuffs. These expenses incurred by Class Members were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Class Members for all such necessary expenditures. Class Members were not reimbursed for those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9.

106. As a result of the unlawful acts of Defendants, Class Members have been deprived of reimbursement in amounts to be determined at trial; they are entitled to recovery of such amounts,

plus interest and penalties thereon, attorneys' fees, and costs.

TENTH CAUSE OF ACTION

VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200 *ET SEQ.*

(Against All Defendants)

107. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

108. Plaintiff, on behalf of herself, Class Members, and the general public, brings this claim pursuant to Business & Professions Code § 17200 *et seq*. The conduct of Defendants as alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Class Members and the general public. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.

109. Plaintiff is a "person" within the meaning of Business & Professions Code § 17204, has suffered injury, and therefore has standing to bring this cause of action for injunctive relief, restitution, and other appropriate equitable relief.

110. Business & Professions Code § 17200 *et seq*. prohibits unlawful and unfair business practices. By the conduct alleged herein, Defendants' practices were deceptive and fraudulent in that Defendants' policy and practice failed to provide the required amount of compensation for missed meal and rest breaks, and failed to adequately compensate Class Members for all hours worked, due to systematic business practices as alleged herein that cannot be justified, pursuant to the applicable California Labor Code and Industrial Welfare Commission requirements in violation of California Business and Professions Code §§ 17200, *et seq.,* and for which this Court should issue injunctive and equitable relief, pursuant to California Business & Professions Code § 17203, including restitution of wages wrongfully withheld.

111. Wage-and-hour laws express fundamental public policies. Paying employees their wages and overtime, providing them with meal periods and rest breaks, etc., are fundamental public policies of California. Labor Code § 90.5(a) articulates the public policies of this State vigorously to enforce minimum labor standards, to ensure that employees are not required or permitted to work under substandard and unlawful conditions, and to protect law-abiding

employers and their employees from competitors who lower costs to themselves by failing to comply with minimum labor standards.

112. Defendants have violated statutes and public policies. Through the conduct alleged in this Complaint Defendants have acted contrary to these public policies, have violated specific provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in violation of Business & Professions Code § 17200 *et seq*.; which conduct has deprived Plaintiff, and all persons similarly situated, and all interested persons, of the rights, benefits, and privileges guaranteed to all employees under the law.

113. Defendants' conduct, as alleged above, constitutes unfair competition in violation of the Business & Professions Code § 17200 *et seq*.

114. Defendants, by engaging in the conduct herein alleged, by failing to pay wages and overtime, failing to provide meal periods and rest breaks, etc., either knew or in the exercise of reasonable care should have known that their conduct was unlawful; therefore their conduct violates the Business & Professions Code § 17200 *et seq*.

115. By the conduct alleged herein, Defendants have engaged and continue to engage in a business practice which violates California and federal law, including but not limited to, the applicable Industrial Wage Order(s), the California Code of Regulations, and the California Labor Code including Sections 203, 204, 226, 226.7, 512, 1194, 1197, and 1198, for which this Court should issue declaratory and other equitable relief pursuant to California Business & Professions Code § 17203 as may be necessary to prevent and remedy the conduct held to constitute unfair competition, including restitution of wages wrongfully withheld.

116. As a proximate result of the above-mentioned acts of Defendants, Class Members have been damaged, in a sum to be proven at trial.

117. Unless restrained by this Court Defendants will continue to engage in such unlawful conduct as alleged above. Pursuant to the Business & Professions Code, this Court should make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use by Defendants or their agents or employees of any unlawful or deceptive practice prohibited by the Business & Professions Code, including but not limited to the

disgorgement of such profits as may be necessary to restore Class Members to the money Defendants have unlawfully failed to pay.

RELIEF REQUESTED

WHEREFORE, Plaintiff prays for the following relief:

1. For an order certifying this action as a class action;

2. For compensatory damages in the amount of the unpaid minimum wages for work performed by Class Members and unpaid overtime compensation from at least four (4) years prior to the filing of this action, as may be proven;

3. For liquidated damages in the amount equal to the unpaid minimum wage and interest thereon, from at least four (4) years prior to the filing of this action, according to proof;

4. For compensatory damages in the amount of all unpaid wages, including overtime and double-time pay, as may be proven;

5. For compensatory damages in the amount of the hourly wage made by Class Members for each missed or deficient meal period where no premium pay was paid therefor from four (4) years prior to the filing of this action, as may be proven;

6. For compensatory damages in the amount of the hourly wage made by Class Members for each day requisite rest breaks were not provided or were deficiently provided where no premium pay was paid therefor from at least four (4) years prior to the filing of this action, as may be proven;

7. For penalties pursuant to Labor Code § 226(e) for Class Members, as may be proven;

8. For penalties pursuant to Labor Code § 203 for all Class Members who quit or were fired in an amount equal to their daily wage times thirty (30) days, as may be proven;

9. For restitution and/or damages for all amounts unlawfully withheld from the wages for all class members in violation of Labor Code § 204, as may be proven;

10. For restitution and/or damages for all amounts unlawfully withheld from the wages for all Class Members in violation of Labor Code § 2802, as may be proven;

11. For restitution for unfair competition pursuant to Business & Professions Code

§ 17200 *et seq*., including disgorgement or profits, as may be proven;

12. For an order enjoining Defendants and their agents, servants, and employees, and all persons acting under, in concert with, or for them, from acting in derogation of any rights or duties adumbrated in this Complaint;

13. For other wages and penalties under the Labor Code as may be proven;

14. For all general, special, and incidental damages as may be proven;

15. For an award of pre-judgment and post-judgment interest;

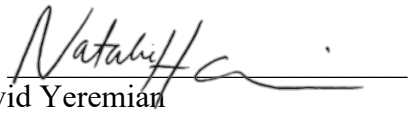
16. For an award providing for the payment of the costs of this suit;

17. For an award of attorneys' fees; and

18. For such other and further relief as this Court may deem proper and just.

DATED: December 6, 2024

D.LAW, INC.

By: 

David Yeremian
Natalie Haritoonian
Jonas Agle
Attorneys for Plaintiff INES BECERRA ALVARADO, and all others similarly situated

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial of his claims by jury to the extent authorized by law.

DATED: December 6, 2024

D.LAW, INC.

By: _____
David Yeremian
Natalie Haritoonian
Jonas Agle
Attorneys for Plaintiff INES BECERRA ALVARADO, and all others similarly situated

EXHIBIT 3

Jarrett Gorlick CFP®

(818) 903-8824 jarrett@bergerconsultinggroup.com

Professional Experience

Berger Consulting Group **2016-PRESENT**

Partner

- Create quantitative models and conduct quantitative analyses to assist attorneys prepare for various stages of litigation on more than 3,000 wage and hour lawsuits since 2016
- Analyze data from various industries including retail, healthcare, logistics, finance, hospitality, technology, and manufacturing for both single plaintiff cases and classes with more than 40,000 employees
- Perform data conversion using multiple commercial Optical Character Recognition (OCR) software to transform small to large volumes of documents and image files into Excel or other data formats like Microsoft Access databases
- Recognize patterns within data and automate calculations in order to objectively extract results from datasets
- Produce detailed reports, write case analysis summaries explaining results, and provide expert testimony of my findings

LPL Financial **2013-2017**

Operations Manager

- Analyzed revenue data and created models to segment client base by revenue, Asset Under Management (AUM), and growth potential, facilitating annual AUM growth
- Developed the processes of repeatable, systematic investment research, securities trading, cash and client account management
- Implemented robust financial software, advancing data analysis and enhancing client recommendations via comprehensive financial plans

UCSB Extension **2016-2018**

Instructor of Investment Analysis and Strategic Business Development

- Designed course curricula and materials to facilitate business development and corporate finance education commensurate with the University of California
- Utilized group projects, exams, and both academic and professional experience-based learning to ensure students with varying levels of professional and academic experience attained valuable skills and knowledge

Professional Credentials

- CERTIFIED FINANCIAL PLANNER™

Education

UCSB **2013**

Bachelor of Arts *(Honors Program; Double Major; Cumulative GPA: 3.83)*

- *Economics (Major GPA: 3.95), Psychology (Major GPA: 3.69)*
- *Honors:* Outstanding Scholastic Achievement in Economics for highest GPA in department, High Honors in College of Letters and Sciences, Dean's Honors List (8 quarters), United States Bowling Congress Scholarship

Additional

- *Computer Skills:* Excel/VBA/Pivot, Python/R, STATA/SPSS, SQL, Access, Omnipage PDF Converter, ABBYY FineReader, Adobe Acrobat Pro
- *Volunteer Work:* Support Partners In Education, Santa Barbara Community Environmental Council, Casa Esperanza homeless shelter, UCSB Alumni Association, various UCSB Research Colloquia

Testimony

Berger Consulting Group

1. Rodriguez v Dynamic Auto Images, Orange County Superior Court Case No. 30-2019-01092692-CU-OE-CXC, Deposition 9/26/2022
2. Cruz v Talent Scale, Riverside County Superior Court Case No. RIC1821842, Deposition 5/26/2022
3. Liggins v GMRI, Los Angeles County Superior Court Case No. BC717321, Deposition 3/31/2022
4. Ortega v Carson Wild Wings, Los Angeles County Superior Court Case No. BC677389, Deposition 1/6/2022
5. Cruz v Dignity Health, Sacramento County Superior Court Case No. 34-2018-00245506, Deposition 11/23/2021
6. Larson v Mark Twain Medical Center, Calaveras County Superior Court Case No. 19CV44062, Deposition 11/18/2021
7. Powell v St Joseph's Medical Center, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-00111555, Deposition 11/4/2021
8. Johnson v Bakersfield Memorial Hospital, Kern County Superior Court Case No. BCV-19-102016, Deposition 10/25/2021
9. Dawson v GoHealth, San Francisco County Superior Court Case No. CGC-19-577790, Deposition 10/21/2021
10. Torrez v Del Taco, Alameda County Superior Court Judicial Counsel Coordination Proceeding No. 4904, Deposition 10/5/2021
11. Ortega v Carson Wild Wings, Los Angeles County Superior Court Case No. BC677389, Deposition 9/9/2021
12. Haaverson v Tavistock Freebirds, Alameda County Superior Court Case No. RG19030716, Trial 8/19/2021
13. Escamilla v Ono Hawaiian BBQ, Los Angeles County Superior Court Case No. BC651992, Deposition 8/16/2021
14. Nash v Horizon Freight Systems, United States Northern District of California Case No. 3:19-cv-01883-VC, Deposition 8/11/2021
15. Harris v Villa Del Rio, Los Angeles County Superior Court Case No. 19STCV28198, Deposition 6/18/2021
16. Morgan v Rohr, United States Southern District of California Case No. 3:20-CV-00574-GPC-AHG, Deposition 5/24/2021
17. Fortson v Care Options Management Plans and Support Services, Alameda County Superior Court Case No. RG16818319, Trial 5/17/2021
18. Anderson v Safe Streets, United States Eastern District of California Case No. 2:18-CV-00323-KJM-GGH, Deposition 5/13/2021
19. Christensen v Carter's Retail, United States Central District of California Case No. 8:20-cv-00776 JLS (KESx), Deposition 4/15/2021
20. Fortson v Care Options Management Plans and Support Services, Alameda County Superior Court Case No. RG16818319, Deposition 3/26/2021
21. Torrez v Del Taco, Alameda County Superior Court Judicial Counsel Coordination Proceeding No. 4904, Deposition 3/3/2021
22. McCarty v SMG, United States Northern District of California Case No. 3:17-cv-06232-JD, Deposition 2/4/2021
23. Chaney v Select Education Group, Stanislaus County Superior Court Case No. CV-19-002224, Arbitration 12/4/2020
24. Chaney v Select Education Group, Stanislaus County Superior Court Case No. CV-19-002224, Deposition 11/24/2020
25. Zarate v La Pizza Loca, Los Angeles County Superior Court Case No. BC642655, Deposition 10/2/2020
26. Southern California Pizza Wage and Hour Cases, Orange County Superior Court Judicial Counsel Coordination Proceeding No. 4725, Deposition 9/17/2020
27. Hernandez v Terminix International, AAA Case No. 01-18-0000-4288, Arbitration 9/8/2020
28. Hernandez v Terminix International, AAA Case No. 01-18-0000-4288, Deposition 8/12/2020
29. Martinez v AA Meat Products, Los Angeles County Superior Court Case No. BC650944, Deposition 6/25/2020
30. Shi v J Filippi Vintage Company, San Bernardino County Superior Court Case No. CIVDS1806156, Trial 3/9/2020
31. Rosales v Staples Contract and Commercial, Los Angeles County Superior Court Judicial Counsel Coordination Proceeding No. 4854, Deposition 2/4/2020
32. Anderson v Safe Streets, AAA Case No. 01-18-0004-3136, Arbitration, 11/19/2019
33. Anderson v Safe Streets, AAA Case No. 01-18-0004-3136, Deposition 10/30/2019

34. Kelly v High Desert Support Services, San Bernardino County Superior Court Case No. CIVDS1616463, Trial 10/1/2019
35. Kelly v High Desert Support Services, San Bernardino County Superior Court Case No. CIVDS1616463, Deposition 9/9/2019
36. Reed & Moore v Aramark Uniform Services, Alameda County Superior Court Case No. RG16832314, Deposition 8/9/2019
37. Gamboa v Nelson Miller, Los Angeles County Superior Court Case No. BC658201, Deposition 4/2/2019
38. Leyva v SCPMG, Los Angeles County Superior Court Case No. BC621718, Deposition 7/26/2018
39. Emard v Twin Cities Community Hospital, AAA Case No. 01-17-0000-1313, Arbitration 7/19/2018
40. McConville v Renzenberger, United States Central District of California Case No. 17-cv-02972-FMO-JC, Deposition 2/1/2018
41. Galeano v Royal Laundry, San Mateo County Superior Court Case No. CIV534888, Deposition 10/12/2017

EXHIBIT 4

Alvarado v. Costa Mesa Healthcare, Inc. dba Newport Subacute

Litigation Costs

Service Date	Details	Provider	Amount
12/09/2024	Summons & Complaint	Proceed	$1,495.30
12/26/2024	Process of Service - Costa Mesa Healthcare, Inc.	Proceed	$89.61
12/26/2024	Process of Service - Newport Subacute Healthcare	Proceed	$89.61
01/13/2025	Notice of Posting Jury Fees	Proceed	$171.25
02/11/2025	First Amended Complaint	Proceed	$17.25
04/22/2025	Mediation Invoice	McKelvey, Brandon	$14,000.00
05/01/2025	Venue Split Fee	Stein, Esq., Jamie N.	$25.00
05/01/2025	Mediation Refund	McKelvey, Brandon	-$7,000.00
08/28/2025	Joint Stipulation and [Proposed] Order Re Cont Status Conf	Proceed	$11.39
08/28/2025	Joint Stipulation and [Proposed] Order Re Cont Status Conf	Proceed	$13.71
10/23/2025	Document Retrieval Fee	Proceed	$15.00
11/10/2025	Expert Mediation Analysis	Berger Consulting Group	$3,776.25
12/05/2025	Notice of Disassociation of Counsel	Proceed	$13.71
03/03/2026	Notice of Change of Address	Proceed	$13.71
03/20/2026	Notice of Association of Counsel	Proceed	$13.71
FUTURE	Motion for Approval of PAGA Settlement	Proceed	$107.00
FUTURE	Decl of Class Admin re Final Distribution	Proceed	$13.71
FUTURE	Ntc of Entry of Final Order & Judgment	Proceed	$13.71
		Total	**$12,879.92**

EXHIBIT 5