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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF VENTURA

HAMID DEGHAN, an individual, on behalf of himself, and on behalf of all persons similarly situated, Plaintiff, vs. R & A ALEXANDER INVESTMENTS, LLC a California limited liability company; and DOES 1-50, Inclusive, Defendants.	Case No: 2024CUOE029973 **DECLARATION OF SYDNEY CASTILLO-JOHNSON, ESQ., IN SUPPORT OF PLAINTIFF'S MOTION TO APPROVE PAGA SETTLEMENT** Date: October 16, 2025 Time: 8:30 a.m. Judge: Hon. Charmaine H Buehner Dept.: J4

I, Sydney Castillo-Johnson, declare as follows:

1. I am over eighteen years of age and if called as a witness, I could and would competently testify to the following facts from my own personal knowledge. I am an attorney-at-law at JCL LAW FIRM, APC (hereinafter "PAGA Counsel"). I am co-counsel of record for Plaintiff Hamid Deghan (hereafter "Plaintiff") in this representative PAGA action filed against Defendant R & A Alexander Investments, LLC (hereinafter "Defendant").

2. This declaration is being submitted in support of Plaintiff's Motion for Approval of PAGA Settlement.

3. A true and correct copy of the fully executed PAGA Settlement Agreement ("Agreement") is attached hereto as **Exhibit #1.**

4. A true and correct copy of Plaintiff's September 5, 2024, Notice of Violations filed with the Labor and Workforce Development Agency ("PAGA Notice") is attached hereto as **Exhibit #2**.

5. A true and correct copy of the proof of filing with the LWDA of Motion for Approval of PAGA Settlement, is attached hereto as **Exhibit #3**. Included with the Motion is a copy of the Agreement.

INTRODUCTION

6. An objective evaluation of the proposed settlement reflects a fair and reasonable resolution of the PAGA claims and serves the public interest by enforcing the Labor Code while securing meaningful penalties on behalf of the State. Accordingly, Plaintiff and PAGA Counsel respectfully request the Court's approval of the Agreement.

PROCEDURAL AND FACTUAL BACKGROUND

Plaintiff's Exhaustion of Administrative Remedies Under PAGA And Civil Action Against Defendant

7. On September 5, 2024, Plaintiff Hamid Deghan ("Plaintiff"), on behalf of himself and on behalf of other Aggrieved Employees, served Defendant and the LWDA with a Notice of Violations ("PAGA Notice") and draft complaint memorializing claims against Defendant for alleged violations of the California Labor Code, including violations for failure to provide accurate itemized wage statements; failure to pay for all minimum, regular, and overtime wages; failure to correctly calculate

the correct regular rate of pay for purposes of meal period premiums, redeemed sick pay, and overtime pay; failure to reimburse necessary business expenses; failure to provide rest periods; failure to provided meal periods; and failure to timely pay wages due during, and upon termination of employment. (LWDA Case No. LWDA-CM-1049143-24).

8. On September 6, 2024, Plaintiff filed a class action complaint alleging eight causes of action against Defendant for: (1) Unfair Competition (Cal. Bus. & Prof. Code § 17200 et seq.); (2) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197, and 1197.1); (3) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 510, et seq.); (4) Failure to Provide Required Meal Periods (Cal. Lab. Code §§ 226.7 & 512, and the Applicable IWC Wage Order); (5) Failure to Provide Required Rest Periods (Cal. Lab. Code §§ 226.7 & 512, and the Applicable IWC Wage Order); (6) Failure to Reimburse Employees for Required Business Expenses (Cal. Lab. Code § 2802); (7) Failure to Provide Accurate Itemized Statements (Cal. Lab. Code § 226); and (8) Failure to Provide Wages When Due (Cal. Lab. Code §§ 201, 202, and 203.

9. On November 12, 2024, Plaintiff requested to dismiss causes of action (1)-(8) in the original complaint without prejudice.

10. On November 13, 2024, Plaintiff Filed a First Amended Complaint (the "Operative Complaint") alleging a single cause of action for Violations of the Private Attorneys General Act ("PAGA") [Labor Code §§ 2698 *et seq*.].

11. The 65-day "waiting period" on Plaintiff's right to file a civil action under PAGA, *see* Cal. Lab. Code § 2699.3(a)(2)(A), lapsed without the LWDA notifying Plaintiff that they intended to investigate the claims in the PAGA Notice. To date, the LWDA still has not advised Plaintiff of any intent to take action with respect to the claims in the PAGA Notice.

12. On July 2, 2025, the Parties participated in an all-day mediation presided over by Gig Kyriacou, Esq., a mediator of wage and hour representative actions. In advance of mediation, Defendant provided Plaintiff with sufficient information to properly evaluate Defendant's liability exposure for civil penalties to the Aggrieved Employees. The data and documents Defendant produced included, but was not limited to, the total number of Aggrieved Employees, pay periods, employee

handbooks, other pertinent wage and hour policies and more than 1.5 million unique cells of time and payroll data.

13. The mediation resulted in a settlement and was memorialized in the form of a Memorandum of Understanding ("MOU"). After accepting the mediator's proposal, the Parties drafted and negotiated a long-form settlement which is the subject of the instant motion. The Agreement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims and establishing manageability, the difficulty of proving Plaintiff's claims in a manageable trial, the merits of Defendant's potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm's length negotiations, with the assistance of Mediator Kyriacou.

14. The Settlement is intended to fully and finally resolve the Released PAGA Claims asserted by Plaintiff on behalf of the Aggrieved Employees and State of California. This is only a Settlement of the PAGA claims for civil penalties and is not a class settlement and does not release the individual claims, if any, of the Aggrieved Employees. This Settlement does not release any claim that is not a PAGA claim.[1] Nor does this Settlement waive Defendant's right to assert *res judicata* or other available defense to any asserted claim or lawsuit.

15. Pursuant to California Labor Code Section 2699(s), Plaintiff is providing a copy of the Agreement and this motion to the LWDA concurrently with the filing of the instant motion for settlement approval as set forth in the accompanying proof of service. Additionally, Plaintiff will submit to the LWDA a copy of the Court's judgment and order approving the Agreement within ten (10) days after entry of judgment or order.

<u>TERMS OF THE PAGA SETTLEMENT</u>

16. The PAGA settlement is subject to Court approval consistent with Labor Code § 2699(s)(2). The Agreement negotiated by the Parties provides for a Gross Settlement Amount payment in the amount of One Hundred Thirty Thousand Dollars and Zero Cents ($130,00.00) to resolve the Released PAGA Claims. From the Gross Settlement Amount, there is a deduction of attorneys' fees in

[1] As explained by the Supreme Court in *ZB, N.A.*, 8 Cal. 5th 175 at 196: "Nonparty employees are bound by the judgment in an action under the PAGA, but only with respect to recovery of civil penalties."

the amount of one third of the Gross Settlement Amount (estimated to be $43,333.33), reimbursement of incurred attorneys' expenses in an amount not to exceed $25,000.00 (collectively, "PAGA Counsel Award"), and payment of Settlement Administration Costs to the Settlement Administrator in an amount not to exceed $4,225.00). Agreement generally at § 3.2. After these deductions, the amount remaining is the "PAGA Payment," which is estimated to be $57,441.67.

THE COURT SHOULD APPROVE THE PAGA SETTLEMENT

17. The Gross Settlement Amount of $130,000.00 is fair and reasonable and, therefore, should be approved. Here, *without stacking* the PAGA penalties, Defendant's *Maximum* liability exposure is estimated at approximately $506,100 in PAGA penalties (5,061 pay periods multiplied by $100[2]).

18. Assuming the Court permitted Plaintiff to stack PAGA penalties, Plaintiff's third-party damages consultant estimated Defendant's maximum liability exposure at approximately $1,118,800. Plaintiff's consultant estimated Defendant's exposure as follows:

Claim	Penalty Amount[3]	Number of Pay Periods w/ Violation	Violation Rate	Total Penalties
Wage Statement Violations Cal. Labor Code §§ 226 and 226.2	$100	4,209	100%	$420,900
Unpaid Wages Violations Cal. Labor Code §§ 201, 202, 203, 204, 246, 1194, 1197, 1997.1, 1198 and 558	$50	4,209	100%	$420,900
Failure to Reimburse for Mandatory Business Expenses Cal. Labor Code § 2802	$100	2,104	50%	$210,400
Rest Period Violations Cal. Labor Code §§ 226.7 and 512	$50	666	15.8%	$33,300
Meal Period Violations Cal. Labor Code §§ 226.7 and 512	$50	666	15.8%	$33,300

[2] California Labor Code section 2699(f)(2) provides the default penalty for PAGA violations of $100 for initial violations and $200 for subsequent violations.

[3] In *Bernstein v. Virgin America, Inc.* (2021) 3 F.4th 1127, 1144, the court decided that "[u]ntil the employer has been notified that it is violating a Labor Code provision … the employer cannot be presumed to be aware that its continuing underpayment of employees is a 'violation' subject to penalties." Therefore, Plaintiff used only penalties for initial violations.

Estimated Penalties for Defendant's Inaccurate Wage Statements

19. Plaintiff's primary claim alleged that Defendant failed to furnish its employees with accurate itemized wage statements. Specifically, Plaintiff alleges that Defendant issued wage statements that failed to show all applicable hourly rates in effect during the pay period and the corresponding Defendant produced a secondary document titled "Salesperson Calculation of Gross Wages" as a purported supplement to the wage statements. Plaintiff maintains this document does not satisfy Labor Code § 226(a). *See Ward v. United Airlines, Inc.,* 2022 WL 3155047, (N.D. Cal. August 7, 2022) (holding an employer cannot satisfy 226(a) by having multiple documents, where the necessary information needed to calculate the employee's pay is found on another document outside of the wage statement itself.).

20. First, the secondary document was not provided with the wage statements but only upon request, which fails to meet the statutory requirement for contemporaneous disclosure. Second, the "Commission" line item inaccurately included both commissions and a true-up of overtime compensation based on those commissions instead of separately itemizing each amount to allow Aggrieved Employees to discern commissions, overtime pay, and the related hours. Third, the wage statements inaccurately report "total hours worked" by including meal period premiums, thereby overstating hours in violation of § 226(a). Defendant's supplemental document does not cure these deficiencies.

21. Defendant denied liability for this claim and argued that it substantially complied with its obligation to provide the correct total of hours worked. Accordingly, Plaintiff estimated that Defendant's exposure from this claim was approximately $420,900.

Estimated Liability for Unpaid Wages

22. Plaintiff alleges that Defendant failed to include certain non-discretionary bonuses and commissions when calculating the regular rate of pay when paying overtime wages, meal period premiums, and sick pay. Specifically, Defendant paid Aggrieved Employees non-discretionary incentive compensation in the form of "Bonus" and "Commission" payments, which were not properly calculated into the regular rate of pay for purposes of overtime, meal period premiums, and redeemed

sick pay. As a result of these miscalculations, Plaintiff and other Aggrieved Employees are owed wages and waiting time penalties.

23. Additionally, Plaintiff asserted that Defendant required employees to assist customers, make sales, perform dealership trades, deliver cars to customers, and obtain paperwork from customers. Based on Plaintiff's testimony and PAGA Counsel's investigation, BCG estimated that Aggrieved Employees performed approximately ten (10) minutes of unpaid work each workweek. As a result, Plaintiff and Aggrieved Employees forfeited compensation, including overtime wages, for all the time they spent working under Defendant's control.

24. Finally, Plaintiff alleged that Defendant failed to provide separate compensation for any non-selling time, such as time spent in meetings, in trainings, and during rest periods, as required by California law. See *Vaquero v. Stoneledge Furniture LLC*, 9 Cal. App. 5th 98, 103 (2017), *as modified* (Mar. 20, 2017). The California Court of Appeals in *Vaquero* made clear that employers must separately compensate employees for rest periods if an employer's compensation plan does not already include a minimum hourly wage for such time. *Id.* at 110. This is particularly important because, as the court *Vaquero* court explained, commission-based compensation plans discourage employees from taking rest breaks.

25. Defendant vigorously denied liability for this claim and argued that it paid its employees for all hours worked, including non-productive time. Defendant also asserted that the additional compensation identified by the expert were discretionary bonuses that did not need to be included in the regular rate calculation. Further, Defendant asserted that it had in place a written policy requiring its employees to accurately record all their time worked daily and argued that such written policies and procedures directed its employees not to work while off the clock. Thus, Plaintiff estimated Defendant's exposure for this claim was approximately $420,900.

Estimated Liability for Unreimbursed Business Expenses

26. Plaintiff alleged that Defendant required Plaintiff and other Aggrieved Employees to use their personal cellular phones to communicate with Defendant's supervisors. However, Defendant did not reimburse Plaintiff and other Aggrieved Employees for these expenses. California employers who require employees to incur personal business expenses for work purposes must reimburse the employee

for the cost incurred. (*See* Cal. Labor Code § 2802(a), providing that "an employer shall indemnify his or her employee 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…").

27. Defendant argued that it instructed its employees not to use their own cellular phones for work purposes and had in place a written business expense reimbursement policy regarding the same. Further, Defendant argued that even if employees did use their cellular phones for work purposes, the number of affected employees was minimal and voluntary – not mandatory. Plaintiff's expert estimated that Defendant's exposure for this claim was approximately $210,400 in penalties.

Estimated Penalties for Meal Period Violations

28. Plaintiff also alleges that Defendant failed to provide compliant meal periods. Specifically, Plaintiff's expert found that recorded meal periods were late, short, or missed during approximately half of all pay periods. However, offsetting paid meal premiums, Defendant's violation rate is reduced to 15.8% or 666 meal period violations. Although the violation rate is relatively low, Plaintiff notes that Defendant failed to pay meal period premiums at the correct regular rate of pay. Accordingly, Plaintiff alleges that he and other Aggrieved Employees are owed meal period premiums at the correct regular rate of pay for meal period violations that occurred during the PAGA Period.

29. Conversely, Defendant argued that it had a legally compliant written meal period policy and paid meal premiums during those shifts when meal period violations occurred. Further, Defendant argued that Aggrieved Employees were instructed to take timely meal periods before the end of their fifth (5th) hour of work and that those meal periods were to be at least thirty (30) minutes in length. In light of Defendant's defenses, the low shift violation rates, and the payment of premiums, Plaintiff estimated that Defendant's exposure for this claim was approximately $33,300.00.

Estimated Penalties for Rest Period Violations

30. Plaintiff also alleged that Defendant failed to provide compliant rest periods. Specifically, Plaintiff alleged that because of their rigorous work schedules, Plaintiff and Aggrieved Employees were not able to take timely and duty-free rest periods. Further, Defendant did not pay a single rest period premium during the PAGA Period. Because rest periods are not recorded, Plaintiff's

expert could not identify a violation rate. Plaintiff therefore made the reasonable assumption that rest period violations were committed at a rate similar to that of meal period violations.

31. Based on an estimated violation rate which resulted in 666 PAGA Pay Periods containing a violation, Plaintiff contended that his claim for rest period violations was potentially worth approximately $33,300. This was calculated by multiplying the number of total pay periods with a rest period violation (666) by a violation rate of $50 dollars. The $50 penalty rate was used for a number of reasons in this instance.

32. Defendant argued that increased civil penalties for subsequent violations do not apply unless the Plaintiff can present evidence that the Labor Commission or a court notified the employer that it was in violation of the Labor Code. *Bernstein v. Virgin America, Inc.* (2021) 3 F.4th 1127, 1144 citing *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209 ["Until the employer has been notified that it is violating a Labor Code provision … the employer cannot be presumed to be aware that its continuing underpayment of employees is a 'violation' subject to penalties."].) Separately, Defendant also argued that courts have considerable discretion to reduce the penalty awards under PAGA. *See, e.g. Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504 (reducing the maximum PAGA penalty amount by 90%, at $5 per pay period). Accordingly, it is unlikely that Plaintiff would recover full penalty amounts even if she prevailed in establishing the underlying Labor Code violations. Pursuant to California Labor Code section 558(a)(1), an employer is subject to a penalty of $50 for violations of a Labor Code section regulating hours and days of work, including meal period and rest period violations. Thus, because section 558(a)(1) specifically provides for a civil penalty, Plaintiff used a $50 penalty per violation for the meal and rest break claims.

33. Defendant argued that it had a legally compliant written rest period policy. Defendant also argued that Plaintiff's rest break claim would have mainly relied on the testimony of Aggrieved Employees, making it a riskier claim. Establishing liability likely would have entailed competing testimony stating either rest breaks were taken, or rest breaks were voluntarily waived. *See, e.g., Ordonez v. Radio Shack, Inc.* (C.D. Cal. Jan. 17, 2013) 2013 WL 210223, at *11 ("Because of the competing testimony before the Court, plaintiff's evidence that defendant may have an illegal, written rest break policy is insufficient for this Court to find that common issues predominate."); *Villa v. United*

Site Servs. of California, Inc. (N.D. Cal. Nov. 13, 2012) 2012 WL 5503550, at *8 ("Indeed, Plaintiff's own evidence confirms that the written policy does not generate uniform practices").

The Gross Settlement Compares Favorably To The Likely Recovery

34. In light of the above, the Gross Settlement Amount is approximately 13% of Defendant's potential PAGA exposure. The Gross Settlement Amount compares favorably to the likely recovery of PAGA penalties through continued litigation. Defendant's maximum exposure to PAGA penalties is not a realistic outcome of the litigation because it fails to account for the risks of continued litigation including, but not limited to, Defendant's defenses. Here, Defendant argues that it can only be assessed civil penalties for actual violations of the Labor Code. *See* Lab. Code § 2699, subd. (f)(2). In other words, to recover any civil penalties, Plaintiff would be required to prove the underlying Labor Code violations. (*Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist. LEXIS 13126, *10 (C.D. Cal. 2011) ["Given the statutory language [of PAGA], a plaintiff cannot recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor Code by the defendant."].) To do this, Plaintiff would need to prove each Aggrieved Employee was subject to the alleged Labor Code violation. Thus, Defendant contended that Plaintiff would be required to "prove Labor Code violations with respect to each and every individual on whose behalf plaintiff seeks to recover civil penalties under PAGA." *Hibbs-Rines v. Seagate Technologies*, 2009 WL 513496, *4 (N.D. Cal. Mar. 2, 2009).

35. Moreover, the maximum penalty figure does not consider that Courts have complete discretion to "award a lesser amount than the maximum civil penalty amount specified [by PAGA] 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." (Cal. Lab. Code § 2699(e)(2)).

36. Given Defendant's defenses to the claimed Labor Code violations at issue, and the risks and costs of continued litigation, Plaintiff and PAGA Counsel believe that the Gross Settlement Amount is fair and reasonable. This settlement was negotiated by experienced counsel at arm's length.

37. The LWDA has been provided notice of this motion and the PAGA settlement, and the decision of LWDA to accept the PAGA settlement and not oppose the motion should be given considerable weight. Moreover, the LWDA is a sophisticated government entity that can assert and protect its own rights.

<u>The Remaining Settlement Terms Are Fair and Reasonable</u>

38. Although PAGA requires that a court approve the proposed PAGA settlement, Labor Code § 2699(1) does not require that a court approve any other elements of the proposed settlement. Because there are no class allegations for which Plaintiff seeks approval, the approval provisions applicable to class settlements under Cal. Code Civil Proc. § 382 do not apply. Accordingly, the Court only needs to approve the settlement of the civil penalties sought in the PAGA claim. Nevertheless, as explained herein, the settlement terms for attorneys' fees and costs are reasonable.

<u>THE PAGA COUNSEL AWARD IS FAIR AND REASONABLE</u>

39. PAGA Counsel seeks approval of the PAGA Counsel Award, comprised of attorneys' fees in the amount of $43,333.33 (one-third of the Gross Settlement Amount) and reimbursement of litigation costs not to exceed $25,000.[4] PAGA does not have any requirements for reviewing attorneys' fees, and Plaintiff's position is that the payment of attorneys' fees and costs in this Settlement is a matter of contract for a contingent representation. Nevertheless, should this Court review the requested attorneys' fees, the requested fees and costs are reasonable for experience wage and hour counsel.

The Requested Attorneys' Fee is Fair and Reasonable

40. The requested PAGA Counsel Award of $68,333.33, comprised of $43,333.33 for attorneys' fees and reimbursement of litigation expenses of up to $25,000 is fair, reasonable, and justified by the result achieved. PAGA Counsel negotiated a recovery of One Hundred Thirty Thousand Dollars and Zero Cents ($130,000.00), and this result justifies the requested fees equal to one third of this recovery.

41. At the time this case was brought, the result was far from certain. Defendant's defenses to the merits of the case created difficulties with proof and complex legal issues for PAGA Counsel to overcome. Here, several defenses asserted by Defendant present serious threats to the claims of Plaintiff and the Aggrieved Employees. Defendant asserted that its employment practices complied with all applicable labor laws. If successful, Defendant's factual and legal defenses would eliminate *any recovery* to the Aggrieved Employees. While Plaintiff believes that these defenses could be overcome, Defendant maintains that these defenses have merit and therefore present a serious risk to recovery. The

[4] As detailed *infra,* at the time of filing this motion, Plaintiff's Counsel incurred $17,739.26 litigating this matter. Plaintiff will provide the Court with a final amount of litigation costs at the time of hearing on this motion.

Settlement was possible because, in PAGA Counsels' eyes, PAGA Counsel was able to persuade Defendant that there was an appreciable risk that Plaintiff would prevail on the factual and legal issues underlying liability and overcome difficulties in proof as to monetary relief.

42. As detailed in PAGA Counsels' time and billing records submitted herewith, PAGA Counsels' current combined loadstar is $109,665.00.

43. As of October 9, 2025, The JCL Law Firm, APC incurred a total lodestar of $69,625.00 for 115.1 hours worked by attorneys and staff successfully litigating this matter. A true and accurate copy of the Declaration of Jean-Claude Lapuyade, Esq. is filed concurrently herewith.

44. Additionally, the attorneys and staff at co-counsel the Zakay Law Group, APLC, billed $40,040.00 for 58.3 hours successfully litigating this action. A true and accurate copy of the Declaration of Shani O. Zakay, Esq. is filed concurrently herewith.

45. Collectively, PAGA Counsel spent a total of 173.4 hours successfully litigating this matter for a total combined loadstar of $109,665.00. Thus, the Attorneys' Fee request is equal to PAGA Counsel's loadstar with a negative .39 multiplier.

46. PAGA Counsel's loadstar is summarized by firm below:

FIRM	**Hours**	**Total**
JCL Law Firm, APC.	115.1	$69,625.00
Zakay Law Group, APLC	58.3	$40,040.00
Total	173.4	$109,665.00

PAGA Counsel is Entitled to Reimbursement of Actual and Reasonably Incurred Litigation Costs

47. Prior to incurring costs for filing of this motion, PAGA Counsel collectively expended $17,739.26 prosecuting this action (JCL Law Firm, APC - $9,909.26, Zakay Law Group, APLC - $7,830.00.

48. PAGA Counsel's out-of-pocket expenses are the types of expenses normally charged to paying clients including the following: filing fees; copying; postage; factual and legal research charges;

mediation fees; and expert costs which were all incurred during, and were necessary for the successful prosecution of, the litigation and, therefore, should be reimbursed.

PAGA Counsel's Experience

49. Plaintiff and the Aggrieved Employees are represented by competent and experienced counsel to pursue their claims.

50. I have been in practice as a labor and employment associate with the JCL Law Firm, APC, since May 2022, representing employees in wage and hour class and PAGA actions.

51. I am qualified to represent the Plaintiff, the State of California, and the Aggrieved Employees. I have experience with wage and hour representative actions litigation like this matter, and employment matters in general. I can, will and have adequately represented the interests of the Plaintiffs and Aggrieved Employees throughout this action.

52. My primary practice has been employment law throughout my entire legal career. I have handled a number of wage and hour matters, including individual actions, class actions, and representative PAGA actions, on behalf of plaintiffs. The following is a list of wage and hour class and/or PAGA actions where I served as counsel and in which final settlement approval was granted: *See generally Chrestensen v. Northeastern Rural Health Clinics* Lassen, Superior Court Case No. 63703 (April 13, 2023); *Toler v. Total Testing Solutions, LLC,* Los Angeles Superior Court Case No. 21STCV38452 (July 27, 2023); *O'Quinn v. Laugh Factory, Inc.,* Los Angeles Superior Court Case No. 19STCV28155 (August 1, 2023); *Kneisly v. SR Machining, Inc., et al.,* Riverside Superior Court Case No. CVRI2201491 (October 5, 2023); *Anderson v. Barton Myers Associates, Inc., et al.,* Los Angeles Superior Court Case No. 21STCV43314 (October 12, 2023); *Coles v. Carefusion Resources LLC, et. al.* San Diego Superior Court Case No. 37-2022-00048696-CU-OE-CTL (March 25, 2024); *Thomas v. Center for Elder's Independence* Alameda Superior Court Case No. 22CV024221 (July 2, 2024); *Klein v. RedZone Security, Inc.,* Riverside Superior Court Case No. CVRI2202841 (August 15, 2024); *Nunez v. Titan AG, et. al.* Tulare Superior Court Case No. VCU296822 (February 4, 2025); *Rene v. Koch Filter Corporation* Riverside Superior Court Case No. CVRI2300700 (March 11, 2025); *Winn v. City Electric Supply Company* San Diego Superior Court Case No. 37-2023-0004023 1-CU-OE-CTL (March 13, 2025); *Gamble v. AirX Utility Surveyors, Inc.* San Diego Superior Court Case No. 37-2022-00042178-

CU-OE-CTL (March 14, 2025); *Garcia v. ConvergeOne* San Bernardino Superior Court Case No. CIVSB2305464 (May 12, 2025); *Lowe v. Ash's First LLC, et al* San Diego Superior Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025). *Solis v. 51st St. & 8th Ave. Corp., et al,* San Diego Superior Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025).

53. As counsel for Plaintiff and the Aggrieved Employees, I have been actively involved in every aspect of this case and I believe that the proposed Settlement is an excellent result for the Aggrieved Employees.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 9th day of October 2025, at San Diego, California.

JCL LAW FIRM, APC

By: *Sydney Castillo-Johnson*
Sydney Castillo-Johnson
Attorney for PLAINTIFF

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Hamid Deghan ("Plaintiff") and Defendant R & A Alexander Investments, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Hamid Deghan v. R & A Alexander, LLC*, Case Number 2024CUOE029973, initiated on September 6, 2024, and pending in Superior Court of the State of California, County of Ventura.

1.2. "Administrator" or "Settlement Administrator" means Apex Class Action LLC, located at P.O. Box 54668, Irvine, CA 92619; Tel: (800) 355-0700, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. "Aggrieved Employee Data" means information regarding Aggrieved Employees that Defendant will in good faith compile from its records and provide to the Settlement Administrator. The Aggrieved Employee Data shall include: each Aggrieved Employee's full name; last known address; Social Security Number; start and ends dates of employment; and any other information the Administrator deems necessary to accurately calculate the number of Pay Periods worked by each Aggrieved Employee during the PAGA Period.

1.5. "Aggrieved Employee" means all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period.

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

1.7. "Court" means the Superior Court of California, County of Ventura.

1.8. "Defendant" means R & A Alexander Investments, LLC.

1.9. "Defense Counsel" means Gordon Rees Scully Mansukhani, LLP.

1.10. "Effective Date" means the date when both of the following have occurred: (a) the Court enters Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. For the avoidance of doubt, the Judgment is final as of the latest of the following occurrences: (a) For the avoidance of doubt, the Judgment is final as of the latest of the following occurrences: (a) the 61st day (unless the last such date is a weekend or holiday, in which case the next business day shall be used) after the Court enters an order granting approval of the Settlement, as long as no timely appeal is taken of the order of approval; (b) if any timely appeals are filed, the date of the resolution and entry of remittitur (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

1.11. "Funding Date" means the date on which Defendant shall fund the Gross Settlement Amount to the Administrator.

1.12. "Gross Settlement Amount" means One Hundred Thirty Thousand Dollars and Zero Cents ($130,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay the PAGA Payment, the PAGA Counsel Award, and the Settlement Administration Costs.

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

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

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

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

1.17. "Net Settlement Amount" or "PAGA Payment" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Award and Settlement Administration Costs. The remainder shall be split with 35% being paid to the Aggrieved Employees based proportionally on their total pay periods during the Settlement Period and 65% being paid to the Labor and Workforce Development Agency ("LWDA").

1.18. "PAGA Counsel Award" shall mean the amounts allocated to PAGA Counsel for attorneys' fees up to one-third of the Gross Settlement Amount and reimbursement of reasonable litigation expenses incurred to prosecute the Action up to $25,000.00. The PAGA Counsel Award will be allocated equally between PAGA Counsel (50% to JCL Law Firm, APC and 50% to Zakay Law Group, APLC).

1.19. "PAGA Counsel" means Jean-Claude Lapuyade, Esq. and Sydney Castillo-Johnson, Esq. of JCL Law Firm, APC and Shani Zakay, Esq. of Zakay Law Group, APLC, the attorneys representing the Plaintiff in the Action.

1.20. "PAGA Notice" means Plaintiff's September 5, 2024, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

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

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

1.23. "PAGA Period" means the period between September 5, 2023, through September 2, 2025.

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

1.25. "Plaintiff" means Hamid Deghan, the named Plaintiff in the Action.

1.26. "Released PAGA Claims" means claims for PAGA penalties arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA Notice that arose during the PAGA Period, including, but not limited to, claims for violations of Labor Code sections 201-204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804. The Parties enter into this Agreement with the express understanding and intention that the judgment in this matter will bind non-parties, such as all Aggrieved Employees, to the fullest extent provided by applicable law, including, without limitation, as stated in *Arias v. Superior Court* (2009) 46 Cal. 4th 969 ("Because an aggrieved employee's action under [PAGA] functions as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees who would be bound by a judgment in an account brought by the government."). Thus, all Aggrieved Employees, and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties listed above, as well as any related interest, fees, and costs, throughout the PAGA Period.

1.27. "Released Parties" means Defendant, any and all beneficiaries of Defendant, and any of Defendant's present and former administrators, companies, parents, subsidiaries, related entities, affiliates and affiliated entities, officers, shareholders, joint venturers, partners, members, managers, equity partners, owners, directors, trustees, employees, current and former employees and/or contractors, and agents as well as any of their representatives, attorneys, insurers, reinsurers, and/or any of their respective predecessors, successors and assigns during the PAGA Period.

1.28. "Settlement Administration Costs" 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.

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

2. RECITALS.

2.1. On September 5, 2024, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency ("LWDA") and served the same on Defendant.

2.2. On September 6, 2024, Plaintiff filed a class action complaint alleging eight causes of action against Defendant for: (1) Unfair Competition (Cal. Bus. & Prof. Code § 17200 *et seq.*); (2) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197, and 1197.1); (3) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 510, *et seq.*); (4) Failure to Provide Required Meal Periods (Cal. Lab. Code §§ 226.7 & 512, and the Applicable IWC Wage Order); (5) Failure to Provide Required Rest Periods (Cal. Lab. Code §§ 226.7 & 512, and the Applicable IWC Wage Order); (6) Failure to Reimburse Employees for Required Business Expenses (Cal. Lab. Code § 2802); (7) Failure to Provide Accurate Itemized Statements (Cal. Lab. Code § 226); and (8) Failure to Provide Wages When Due (Cal. Lab. Code §§ 201, 202, and 203).

2.3. On November 12, 2024, Plaintiff requested to dismiss causes of action (1)-(8) in the original complaint without prejudice.

2.4. On November 13, 2024, Plaintiff Filed a First Amended Complaint (the "Operative Complaint") to asserting a single cause of action for Violations of the PAGA.

2.5. On July 2, 2025, the Parties participated in mediation presided over by Gig Kyriacou, Esq., a mediator of wage and hour representative actions, which led to this Agreement to settle the Action.

2.6. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.8. Prior to mediation, Plaintiff obtained, through informal discovery, timekeeping records, and payroll records for the Aggrieved Employees, and various documents and information that allowed both parties to evaluate the potential exposure and potential risk, including employee handbooks, and policies and procedures related to the claims alleged in the operative Complaint. P

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay One Hundred Thirty Thousand Dollars and Zero Cents ($130,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To PAGA Counsel: A PAGA Counsel fees payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $43,333.33, and litigation expenses payment of not more than $25,000.00, subject to Court approval (collectively "PAGA Counsel Award"). Defendant will not oppose requests for Court approval of these payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Award. If the Court approves a PAGA Counsel Award less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Award. The Administrator will pay the PAGA Counsel Award using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Award and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: The Settlement Administration Costs not to exceed $4,225.00 except for a showing of good cause and as approved by the Court. Defendant will not oppose requests for these payments provided that do not exceed this amount. To the extent the Settlement Administration Costs are less or the Court approves payment of less than $4,225.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Payment in the amount of $57,441.67 to be paid from the Gross Settlement Amount, with 65% ($37,337.08) allocated to the LWDA PAGA Payment and 35% ($20,104.59) allocated to the Individual PAGA Payment.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of the PAGA Payment ($20,104.59) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. If for any reason the total value of payments to the Aggrieved Employees exceeds the Net Settlement Amount, then the payments to each Aggrieved Employee will be adjusted on a pro-rata basis so that the total payout to Aggrieved Employees does not exceed the Net Settlement Amount. If the Court approves a PAGA Payment of less than the amount requested, the Settlement Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee PAGA Pay Periods. Based on a review of its records to date, Defendant estimates that there are approximately 143 Aggrieved Employees who worked a total of 5,061 PAGA Pay Periods (of which 1,704 were weekly pay periods).

4.2. Aggrieved Employee Data. Not later than thirty (30) days after execution of this Settlement, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within five (5) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Settlement Administration Costs, and the PAGA Counsel Award. Disbursement of the PAGA

Counsel Award shall not precede disbursement of Individual PAGA Payments.

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

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

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

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

5. RELEASES OF CLAIMS. Effective on the Funding Date, Plaintiff, on behalf of the LWDA and the State of California, the Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release: Plaintiff and Plaintiff's respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns, generally, release and discharge Released Parties from all claims for PAGA penalties arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA Notice that arose during the PAGA Period, including but not limited to, claims for: Labor Code sections 201-204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804, and the applicable Industrial Welfare Commission Wage Order.

5.2 Release by Aggrieved Employees: Plaintiff, acting as a proxy and agent to the

LWDA, releases the claims of the LWDA against the Released Parties from those claims for PAGA penalties arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA Notice that arose during the PAGA Period, including, but not limited to, claims for violations of Labor Code sections 201-204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804. The Parties enter into this Agreement with the express understanding and intention that the judgment in this matter will bind non-parties, such as all Aggrieved Employees, to the fullest extent provided by applicable law, including, without limitation, as stated in *Arias v. Superior Court* (2009) 46 Cal. 4th 969 ("Because an aggrieved employee's action under [PAGA] functions as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees who would be bound by a judgment in an account brought by the government."). Thus, all Aggrieved Employees, and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties listed above, as well as any related interest, fees, and costs, throughout the PAGA Period.

5.3 Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice. PAGA Counsel represents that no other counsel has been involved in or has any claim for fees or costs associated with the Action, or has represented Plaintiff in connection with this Action or any other contemplated action against Defendant concerning the subject matter of this Action.

6. MOTION FOR APPROVAL OF SETTLEMENT. Plaintiff will prepare and file a motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator). In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (30) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action, LLC, to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action, LLC, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Settlement Administration Costs. 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 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are approximately 143 Aggrieved Employees who worked 5,061 Pay Periods (of which 1,704 are weekly pay periods) during the PAGA Period. If the actual number of Pay Periods worked during the PAGA Period exceeds the above number by more than 10% (more than 5,568 Pay Periods), the settlement amount will be increased by the actual percentage. Defendant may, in its sole discretion, adjust the length of the PAGA Period by moving the end date to the date that the Pay Periods reach 5,568.

9. <u>CONTINUING JURISDICTION OF THE COURT</u>. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

10. ADDITIONAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To Plaintiff:

JCL LAW FIRM, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
T: 619-599-8292
jlapuyade@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
T: 619-892-7095
Shani@zakaylaw.com

To Defendant:

GORDON REES SCULLY MANSUKHANI, LLP
633 West Fifth Street 52nd Floor
Los Angeles, CA 90071
T: (213) 576-5000
F: (213) 680-4470
aspellman@grsm.com
emaclean@grsm.com
dglucksman@grsm.com

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

10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to 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.

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APPROVAL AND EXECUTION BY PARTIES

Dated: October 8 , 2025

Hamid dehghan (Oct 8, 2025 13:07:34 PDT)
Plaintiff Hamid Deghan

Dated: __________, 2025

Name: Katie Kemp
Title: General Manager
For Defendant
R & A ALEXANDER INVESTMENTS, LLC

APPROVED AS TO FORM ONLY BY COUNSEL

Dated: October 8 , 2025

Shani O. Zakay, Esq.
Zakay Law Group, APLC
Attorney for Plaintiff

Dated: October 8 , 2025

Jean-Claude Lapuyade, Esq.
The JCL Law Firm, APC
Attorney for Plaintiff

APPROVAL AND EXECUTION BY PARTIES

Dated: __________, 2025

____
Plaintiff Hamid Deghan

Signed by:
katie kemp
42AF1E6C8249428...

Dated: 10/07, 2025

____
Name: Katie Kemp
Title: General Manager
For Defendant
R & A ALEXANDER INVESTMENTS, LLC

APPROVED AS TO FORM ONLY BY COUNSEL

Dated: __________, 2025

____
Shani O. Zakay, Esq.
Zakay Law Group, APLC
Attorney for Plaintiff

Dated: __________, 2025

____
Jean-Claude Lapuyade, Esq.
The JCL Law Firm, APC
Attorney for Plaintiff

Dated: OCTOBER 7, 2025

____
Dina Glucksman
Alexander Spellman
Emilie MacLean
Gordon Rees Scully Mansukhani, LLP
Attorney for Defendant

EXHIBIT 2

jcl law firm apc
EMPLOYMENT LAWYERS

5440 Morehouse Drive
Suite 3600
San Diego, CA 92121
619-599-8292
Fax 619-599-8291
Toll-Free 1-888-498-6999

September 5, 2024

Via Online Filing to LWDA and Certified Mail to Defendant
Labor and Workforce Development Agency
Online Filing

R & A ALEXANDER INVESTMENTS, LLC
c/o Victor Danhi
55 2nd Street, 21st Floor
San Francisco, CA 94105
Sent via Certified Mail and Return Receipt No. 9589 0710 5270 1756 9920 59

Re: Notice of Violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, 2804, and Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant to California Labor Code Section 2699.5

Dear Sir/Madam:

This notice is being sent in compliance with Cal. Lab. Code § 2699.3. Our offices represent Plaintiff HAMID DEGHAN("Plaintiff") and other aggrieved employees. Plaintiff was employed by Defendant R & A ALEXANDER INVESTMENTS, LLC ("Defendant") in California from August 3, 2023, through October 25, 2023, as a non-exempt employee, paid on an hourly basis, and entitled to payment of all wages and the legally required meal and rest breaks.

Plaintiff alleges that within the past year, he personally suffered violations of the following Labor Codes Sections as a result of Defendant's failure to pay Plaintiff for all time worked, provide Plaintiff with compliant meal periods, provide Plaintiff with compliant rest periods, provide Plaintiff with accurate itemized wage statements that facially comply with the requirements provided for in Labor Code Section 226, furnish wages to Plaintiff with the frequency as set forth under Labor Code Section 204, and reimburse Plaintiff for necessary business expenses: Labor Code §§ 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, and 2804. These violations are actionable under California Labor Code section 2699.3.

The information below provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. If the agency needs any further information, please do not hesitate to ask.

Plaintiff seeks to represent a group of aggrieved employees defined as any person currently or formerly employed by Defendant who performed work in California and against whom one or more of the alleged violations listed above were committed during the relevant claim period ("Aggrieved Employees"). Plaintiff believes this group to be comprised of all non-exempt employees and employees who earned commissions and/or piece rate compensation who were employed by DEFENDANT in California, including at Alexander Buick GMC

Cadillac, Alexander Hyundai, and/or Alexander of Oxnard during the period beginning one year prior to the date of this Notice and continuing through the present.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission ("IWC") Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally, knowingly, and systematically failed to provide legally compliant meal and rest periods, failed to accurately compensate Plaintiff and other Aggrieved Employees for missed meal and rest periods, failed to pay Plaintiff and other Aggrieved Employees for all time worked, failed compensate Plaintiff and other Aggrieved Employees for off-the-clock work, failed to pay Plaintiff and other Aggrieved Employees overtime at the correct regular rate of pay, failed to compensate Plaintiff and other Aggrieved Employees meal and rest premiums at the regular rate of pay, failed to pay Plaintiff and other Aggrieved Employees redeemed sick pay at the regular rate of pay, failed to reimburse Plaintiff and other Aggrieved Employees for business expenses, and failed to issue to Plaintiff and other Aggrieved Employees accurate itemized wage statements showing, among other things, all applicable hourly rates in effect during the pay periods and the corresponding amount of time worked at each hourly rate. Defendant's uniform policies and practices are intended to purposefully avoid the accurate and full payment for all time worked as required by California law which allows Defendants to illegally profit and gain an unfair advantage over competitors who comply with the law.

Meal Period Violations: Pursuant to the Industrial Welfare Commission Wage Orders, Defendants were required to pay Plaintiff and the Aggrieved Employees for all their time worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work. From time to time during the last year, Defendants required Plaintiff and other Aggrieved Employees to work without paying them for all the time they were under Defendants' control. Specifically, Defendants required Plaintiff to work while clocked out during what was supposed to be Plaintiff's off-duty meal break. Indeed, there were many days where Plaintiff did not even receive a partial lunch. As a result, Plaintiff and other Aggrieved Employees forfeited minimum wage and overtime compensation by regularly working without their time being accurately recorded and without compensation at the applicable minimum wage and overtime rates. Defendants' uniform policy and practice not to pay Plaintiff and other Aggrieved Employees for all time worked is evidenced by Defendants' business records.

During the last year, as a result of their rigorous work schedules and Defendants' inadequate staffing practices, Plaintiff and other Aggrieved Employees were from time to time unable to take thirty (30) minute off duty meal breaks and were not fully relieved of duty for their meal periods. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants for more than five (5) hours during some shifts without receiving a meal break. Further, Defendants failed to provide Plaintiff and other Aggrieved Employees with a second off-duty meal period for some workdays in which these employees were required by Defendants to work ten (10) hours of work. The nature of the work performed by Plaintiff and other Aggrieved Employees does not qualify for the limited and narrowly construed "on-duty" meal period exception. When they were provided with meal periods, Plaintiff and other Aggrieved Employees were, from time to time, required to remain on duty and on call. Defendant's failure to provide Plaintiff and other Aggrieved Employees with legally required meal breaks is evidenced by Defendants' business records. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees therefore forfeited meal breaks without additional compensation and in accordance with Defendants' strict corporate policy and practice.

Rest Period Violations: From time to time during the past year, Plaintiff and other Aggrieved

Employees were also required to work in excess of four (4) hours without being provided ten (10) minute rest periods as a result of their rigorous work requirements and Defendants' inadequate staffing. Further, for the same reasons, these employees were denied their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours from time to time, a first and second rest period of at least ten (10) minutes for some shifts worked of between six (6) and eight (8) hours from time to time, and a first, second and third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours or more from time to time. When they were provided with rest breaks, Plaintiff and other Aggrieved Employees were, from time to time, required to remain on premises, on duty and/or on call, and not fully relieved of all duties. Plaintiff and other Aggrieved Employees were also not provided with one-hour wages in lieu thereof. As a result of their rigorous work schedules and Defendants' inadequate staffing, Plaintiff and other Aggrieved Employees were from time to time denied their proper rest periods by Defendants and Defendants' managers.

Unreimbursed Business Expenses: Defendants as a matter of corporate policy, practice, and procedure, intentionally, knowingly, and systematically failed to reimburse and indemnify the Plaintiff and other Aggrieved Employees for required business expenses incurred by the Plaintiff and other Aggrieved Employees in direct consequence of discharging their duties on behalf of Defendants. Under California Labor Code Section 2802, employers are required to indemnify employees for all expenses incurred in the course and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer shall indemnify his or her employee 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, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."

Within the last year, in the course of their employment, Defendants required Plaintiff and other Aggrieved Employees to incur personal expenses for the use of their personal cell phones and vehicles as a result of and in furtherance of their job duties. Specifically, Plaintiff and other Aggrieved Employees were required to incur personal expenses for the use of their personal cell phones and vehicles. However, Defendants unlawfully failed to reimburse Plaintiff and other Aggrieved Employees for the personal expenses incurred for the purchase and maintenance of their work uniforms. As a result, in the course of their employment with Defendants, the Plaintiff and other Aggrieved Employees incurred unreimbursed business expenses that included, but were not limited to, costs related to the personal expenses incurred for the purchase and maintenance of their work uniforms, all on behalf of and for the benefit of Defendants.

Wage Statement Violations: California Labor Code Section 226 requires an employer to furnish its employees and accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked, (3) the number of piece-rate units earned and any applicable piece-rate, (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 the employee's 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. From time to time during the last year, when Plaintiff and other Aggrieved Employees missed meal and rest breaks, or were paid inaccurately for missed meal and rest period premiums, or were not paid for all hours worked, Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements which failed to show, among other things, all deductions, the total hours worked and all applicable hourly rates in effect during the pay period, and the corresponding amount of time worked at each hourly rate, correct rates of pay for penalty payments or missed meal and rest periods. Defendants also failed to provide Plaintiff and other Aggrieved Employees with complete and accurate wage statements that included all required elements listed above. As a result, Defendants issued Plaintiff and other Aggrieved Employees with wage statements that violate Cal. Lab. Code § 226. Further, Defendants' violations are knowing and intentional, were not isolated due to an unintentional payroll error due to clerical or inadvertent mistake.

Off-the-Clock Work Resulting in Minimum Wage and Overtime Violations: During the last year, from time-to-time, Defendants failed and continue to fail to accurately pay Plaintiff and other Aggrieved Employees for all hours worked. During the last year, from time-to-time Defendants required Plaintiff and other Aggrieved Employees to perform pre-shift or post-shift work. This resulted in Plaintiff and other Aggrieved Employees having to work while off-the-clock. Defendants directly benefited from the undercompensated off-the-clock work performed by Plaintiff and other Aggrieved Employees. Defendants controlled the work schedules, duties, and protocols, applications, assignments, and employment conditions of Plaintiff and other Aggrieved Employees.

Defendants were able to track the amount of time Plaintiff and other Aggrieved Employees spent working; however, Defendants failed to document, track, or pay Plaintiff and other Aggrieved Employees all wages earned and owed for all the work they performed. Plaintiff and other Aggrieved Employees were non-exempt employees, subject to the requirements of the California Labor Code. Defendants' policies and practices deprived Plaintiff and other Aggrieved Employees of all minimum regular, overtime, and double time wages owed for the off-the-clock work activities. Because Plaintiff and other Aggrieved Employees typically worked over forty (40) hours in a workweek, and more than eight (8) hours per day, Defendants' policies and practices also deprived them of overtime pay.

Defendants knew or should have known that Plaintiff's and other Aggrieved Employees' off-the-clock work was compensable under the law. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control, and benefit for the time spent working while off-the-clock, including but not limited to, undergoing pre-shift and post-shift work. Defendants' uniform policy and practice to not pay Plaintiff and other Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Regular Rate Violation – Overtime, Double Time, Meal and Rest Period Premiums, and Redeemed Sick Pay: From time to time during the last year, Defendants failed and continue to fail to accurately calculate and pay Plaintiff and other Aggrieved Employees for their overtime and double time hours worked, meal and rest period premiums, and redeemed sick pay. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for working overtime without compensation at the correct overtime and double time rates, meal and rest period premiums, and redeemed sick pay rates. Defendants' uniform policy and practice not to pay Plaintiff and other Aggrieved Employees at the correct rate for all overtime and double time worked, meal and rest period premiums, and sick pay in accordance with applicable law is evidenced by Defendants' business records.

State law provides that employees must be paid overtime at one-and-one-half times their "regular rate of pay." Plaintiff and other Aggrieved Employees were compensated at an hourly rate plus incentive pay that was tied to specific elements of an employee's performance. The second component of Plaintiff's and other Aggrieved Employees' compensation was Defendants' non-discretionary incentive program that paid Plaintiff and other Aggrieved Employees incentive wages based on their performance for Defendants. The non-discretionary bonus program provided all employees paid on an hourly basis with bonus compensation when the employees met the various performance goals set by Defendants. However, from time to time, when calculating the regular rate of pay in those pay periods where Plaintiff and other Aggrieved Employees worked overtime, double time, paid meal and rest period premium payments, and/or redeemed sick pay, and earned non-discretionary bonuses, Defendants failed to accurately include the non-discretionary bonus compensation as part of the employee's "regular rate of pay" and/or calculated all hours worked rather than just all non-overtime hours worked. Management and supervisors described the incentive/bonus program to potential and new employees as part of the compensation package. As a matter of law, the incentive compensation received by Plaintiff and other Aggrieved Employees must be included in the "regular rate of pay." The failure to do so has resulted in a systematic underpayment of overtime and double time compensation, meal and rest period premium payments, and redeemed sick pay to Plaintiff and other Aggrieved Employees by Defendants.

Specifically, California Labor Code Section 246 mandates that paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the non-exempt employee uses paid sick time, whether or not the employee actually works overtime in that workweek. Defendants' conduct, as articulated herein, by failing to include the incentive compensation as part of the "regular rate of pay" for purposes of sick pay compensation was in violation of Cal. Lab. Code § 246 the underpayment of which is recoverable under Cal. Lab. Code Sections 201, 202, 203, and/or 204.

In violation of the applicable sections of the California Labor Code and the requirements of the Industrial Welfare Commission ("IWC") Wage Order, Defendants as a matter of company policy, practice, and procedure, intentionally and knowingly failed to compensate Plaintiff and other Aggrieved Employees at the correct rate of pay for all overtime and double time worked, meal and rest period premiums, and redeemed sick pay as required by California law which allowed Defendants to illegally profit and gain an unfair advantage over competitors who complied with the law.

Unlawful Deductions: During the last year, Defendants, from time-to-time, unlawfully deducted wages from Plaintiff and Aggrieved Employees' pay without explanations and without authorization to do so or notice to Plaintiff and the Aggrieved Employees. As a result, Defendants violated Labor Code § 221.

Timekeeping Manipulation: During the last year, Defendants, from time-to-time, did not have an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time Plaintiff and other Aggrieved Employees worked each day, including regular time, overtime hours, sick pay, meal and rest breaks. As a result, Defendants were able to and did in fact, unlawfully, and unilaterally alter the time recorded in Defendants' timekeeping system for Plaintiff and other Aggrieved Employees in order to avoid paying these employees for all hours worked, applicable overtime compensation, applicable sick pay, missed meal breaks and missed rest breaks. As a result, Plaintiff and other Aggrieved Employees, from time-to-time, forfeited time worked by working without their time being accurately recorded and without compensation at the applicable pay rates.

The mutability of the timekeeping system also allowed Defendants to alter employee time records by recording fictitious thirty (30) minute meal breaks in Defendants' timekeeping system so as to create the appearance that Plaintiff and other Aggrieved Employees clocked out for thirty (30) minute meal break when in fact the employees were not at all times provided an off-duty meal break. This practice is a direct result of Defendants' uniform policy and practice of denying employees uninterrupted thirty (30) minute off-duty meal breaks each day or otherwise compensate them for missed meal breaks. As a result, Plaintiff and other Aggrieved Employees forfeited wages due to them for all hours worked at Defendants' direction, control and benefit for the time the timekeeping system was inoperable. Defendants' uniform policy and practice to not pay Plaintiff and the Aggrieved Employees wages for all hours worked in accordance with applicable law is evidenced by Defendants' business records.

Unlawful Rounding Practices: During the last year, Defendants did not have in place an immutable timekeeping system to accurately record and pay Plaintiff and other Aggrieved Employees for the actual time these employees worked each day, including overtime hours. Specifically, Defendants had in place an unlawful rounding policy and practice that resulted in Plaintiff and the Aggrieved Employees being undercompensated for all of their time worked. As a result, Defendants were able to and did in fact unlawfully, and unilaterally round the time recorded in Defendants' timekeeping system for Plaintiff and the Aggrieved Employees in order to avoid paying these employees for all their time worked, including the applicable overtime compensation for overtime worked. As a result, Plaintiff and other Aggrieved Employees, from time to time, forfeited compensation for their time worked by working without their time being accurately recorded and without compensation at the applicable overtime rates.

Further, the mutability of Defendants' timekeeping system and unlawful rounding policy and practice resulted in Plaintiff's and the Aggrieved Employees' time being inaccurately recorded. As a result, from time to time, Defendants' unlawful rounding policy and practice caused Plaintiff and other Aggrieved Employees to perform work as ordered by Defendants for more than five (5) hours during a shift without receiving an off-duty meal break.

Untimely Payment of Wages: Pursuant to California Labor Code section 204, Plaintiff and the Aggrieved Employees were entitled to timely payment of wages during their employment. Plaintiff and the Aggrieved Employees, from time to time, did not receive payment of all wages, including, but not limited to, overtime wages, minimum wages, meal period premium wages, and rest period premium wages within permissible time period. Pursuant to Cal. Lab. Code § 201, "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Pursuant to Cal. Lab. Code § 202, if an employee quits his or her employment, "his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Plaintiff and the Aggrieved Employees were, from time to time, not timely provided the wages earned and unpaid at the time of their discharge and/or at the time of quitting, in violation of Cal. Lab. Code §§ 201 and 202. To date, Defendants have not fully paid PLAINTIFF the minimum, overtime and double time compensation still owed to her or any penalty wages owed to her under Cal. Lab. Code § 203.

Sick Pay Violations: Cal. Labor Code Section 246 (a)(1) mandates that "An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section." Further, Cal. Labor Code Sections 246(b)-(d) provide for the sick day accrual requirements. From time to time, including within the last year, Defendants failed to have a policy or practice in place that provided Plaintiff and other Aggrieved Employees with sick days and/or paid sick leave. As of January 1, 2024, Defendants failed to adhere to the law in that they failed to provide and allow employees to use at least 40 hours or five days of paid sick leave per year. California Labor Code Section 246(i) requires an employer to furnish its employees with written wage statements setting forth the amount of paid sick leave available. From time to time, including within the last year, Defendants violated Cal. Lab. Code § 246 by failing to furnish Plaintiff and other Aggrieved Employees with wage statements setting forth the amount of paid sick leave available.

To the extent that entities and/or individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code Sections including, but not limited to 558, 558.1, and 1197.1—Plaintiff reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue.

Any further amendments and changes to this notice shall relate back to the date of this notice. Consequently, Defendant is on notice that Plaintiff continues his investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of any of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein.

This notice is provided in compliance with California Labor Code section 2695, *et seq*.

If you have any questions or concerns, please do not hesitate to contact me at the above number and address.

Sincerely yours,
JCL LAW FIRM, APC

Jean-Claude Lapuyade, Esq.
Attorney at Law

EXHIBIT 3