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Attorneys for Plaintiffs JORGE LEYVA and LUCKY SYSAVATH,
on behalf of themselves and others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

JORGE LEYVA, and LUCKY SYSAVATH,
individuals on behalf of himself and all others
similarly situated,

Plaintiff,

vs.

UNIVERSAL SERVICE RECYCLING,
INC., a California Corporation;
UNIVERSAL SERVICE RECYCLING
MERCED, INC., a California Corporation;
UNIVERSAL SERVICE RECYCLING
NEVADA, LLC., a business entity of
unknown form; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: STK-CV-UOE-2023-7875

CLASS ACTION

Assigned for All Purposes To:
Hon. Barbara Kronlund

**DECLARATION OF NATALIE
HARITOUNIAN IN SUPPORT OF
PLAINTIFFS' MOTION FOR AN ORDER
(1) PRELIMINARILY APPROVING THE
CLASS ACTION SETTLEMENT; (2)
APPROVING NOTICE OF SETTLEMENT;
AND (3) SETTING HEARING FOR FINAL
APPROVAL**

Date: June 10, 2025; June 11, 2025; June
12, 2025; June 13, 2025; June 18, 2025;
Next available
Time: 9:00 a.m.
Dept: 10D

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1 California, Gould School of Law in May of 2018. Upon graduating from law school, I have
2 exclusively focused my practice on representing employees including in wage-and-hour class
3 actions.

4 6. During my career, I have represented employees in wage-and-hour class action
5 lawsuits as lead or co-lead counsel, and I have obtained six and seven figure settlements against a
6 range of defendants. These cases have involved the gamut of wage-and-hour claims, including
7 claims for failure to pay minimum wages, unpaid wages and overtime, failure to provide meal
8 breaks, inaccurate pay statements, and failure to pay timely wages - similar to claims at issue in
9 the present matter.

10 7. I am experienced in prosecuting employment matters, particularly class actions. In
11 addition to the present case, I am also class counsel for dozens of other putative wage-and-hour
12 class-action lawsuits pending in various state and federal jurisdictions throughout California.

13 8. My extensive experience in litigating employment wage and hour matters has been
14 integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and
15 generally negotiating fair and reasonable class action settlements. Practice in the narrow field of
16 wage and hour litigation requires skill and knowledge concerning the constantly evolving
17 substantive law (state and federal), as well as the procedural law of class action litigation. In this
18 action, I am fully equipped to use the skills and knowledge I have developed. Therefore, on the
19 account of my resources, experience, and knowledge, I am well qualified to act as Class Counsel
20 and represent Plaintiffs and the putative Class Members in this action.

21 9. I recently successfully certified a case and when necessary, we pursue cases on appeal.
22 Owing to my experience, I am well qualified to evaluate the class claims in this action, to
23 evaluate settlement v. trial and defenses raised. The following are examples of some of my cases
24 that have resulted in favorable settlements for the employee Class Members and Aggrieved
25 Employees I have represented: (a) *Martinez v. Villa & Sons Enterprises, Inc.*, San Benito County
26 Superior Court, Case No. CU-19-00120 (Hon. J. Omar Rodriguez); (b) *Herrera v. Pomona*
27 *Quality Foam, LLC*, Los Angeles County Superior Court, Case No. 19STCV38235 (Hon. Ann
28 Jones); (c) *Torres v. Precision Plastics Packaging Co.*, Orange County Superior Court, Case No.

1 30-2019-01063177-CU-OE-CXC (Hon. Peter Wilson); (d) *Marchbanks v. Torrid Administration,*
2 *Inc.*, et al. San Diego County Superior Court, Case No. 37-2020-00008179-CU-OE-NC (Hon.
3 Blaine K. Bowman); (e) *Becerra v. Tetra Tech, Inc.*, Sonoma County Superior Court, Case No.
4 SCV-265511 (Hon. Patrick Broderick); (f) *Foster v. Deckers Outdoor Corporation*, Santa
5 Barbara County Superior Court, Case No. 20CV03699 (Hon. Donna D. Geck); (g) *Stakely v.*
6 *Windsor Palms Care Center of Artesia*, Los Angeles Superior Court, Case No. 21STCV10507
7 (Hon. Carolyn B. Kuhl); (h) *Sosa v. Aurora World, Inc.*, Los Angeles County Superior Court,
8 Case No. 19STCV20182 (Hon. Lawrence R. Riff); (i) *Torres v. Rapid Manufacturing*, Orange
9 County Superior Court, Case No. 30-2019-01089455-CU-OE-CXC (Hon. William D. Claster); (j)
10 *Aleman v. Moonlight Packing Corporation*, Fresno County Superior Court, Case No.
11 20CECG01196 (Hon. Kristi Culver Kapetan); (k) *Salazar v. Happy FM Group, Inc.*, Los Angeles
12 Superior Court, Case No. 20STCV40294 (Hon. Stuart M. Rice); (l) *Baldwin v. Patagonia, Inc.*,
13 Los Angeles Superior Court, Case No. 20STCV40245 (Hon. Maren Nelson); (m) *Smith v. NOIA*
14 *Residential Services, Inc.*, Fresno Superior Court, Case No. 20CECG01820 (Hon. Jeffrey Y.
15 Hamilton); (n) *Alvarado v. Faro Logistics Solutions, Inc.*, San Bernardino Superior Court, Case
16 No. CIVSB2200441 (Hon. Joseph Ortiz); (o) *Hernandez v. Clark Pacific Corporation*, Yolo
17 Superior Court, Case No. CV-2019-1053 (Hon. Samuel T. McAdam); (p) *Romero v. Hydraulics*
18 *International, Inc.*, Los Angeles Superior Court, Case No. 19STCV04463 (Hon. Stuart M. Rice);
19 and (q) *Broersma v. Platt College Los Angeles, LLC*, Los Angeles Superior Court, Case No.
20 20STCV47502 (Hon. Stuart M. Rice); and (r) *Cruz v. West Coast Prime Meats, LLC*, Orange
21 County Superior Court, Case No. 30-2021-01185742-CU-OE-CXC (Hon. Randall J. Sherman).

22 10. For purposes of this motion, the “Class” or “Class Members” consist of “all persons
23 employed by Defendants in California and classified as a non-exempt, hourly employee who
24 worked for Defendants at any time between July 26, 2019, to January 7, 2025.” I do not believe
25 that I have any conflicts of interest with the Class or with the Class Representatives. I am not
26 related to the Class Representatives. I have not previously represented Defendants in any matter. I
27 respectfully submit that I, D.Law, Inc., and the Law Offices of Corren & Corren are well suited to
28 act as Class Counsel in this action, and we have and will continue to vigorously represent the

interests of the Class Members.

PROCEDURAL HISTORY

11. On December 15, 2021, Plaintiff Sysavath submitted a Private Attorneys General Act (“PAGA”) notice letter to the Labor Workforce Development Agency (“LWDA”) and served Defendants Universal Service Recycling, Inc., and William Mendonca. The LWDA did not express an interest in investigating Plaintiff Sysavath’s claims within the 65-day period.

12. On March 4, 2022, Plaintiff Sysavath filed an individual and representative action complaint against Defendants Universal Service Recycling, Inc., and William Mendonca alleging nineteen causes of actions: (1) Failure to Pay Minimum Wages, (2) Nonpayment of Wages, (3), Failure to Pay Overtime & Double-time Compensation, (4) Violation of the FLSA Overtime Requirements, (5) Failure to Maintain Time Records, Provide Itemized Statements, (6) Failure to Pay All Wages Due Upon Discharge, (7) Failure to Provide Paid Rest Breaks, (8) Failure to Provide Meal Breaks, (9) Unfair Business Practices under Cal. Bus. & Prof. Code § 17200, (10) Unlawful Business Practices under Cal. Bus. & Prof. Code § 17200, (11) Violation of the California Family Rights Act & New Parent Leave Act, (12) Violation of Family and Medical Leave Act, (13) Associational Physical Disability Discrimination, (14) Violation of Government Code § 12940(m), (15) Violation of Government Code § 12940(n), (16) Violation of Government Code § 12940(k), (17) Retaliation, (18) Tortious Termination in Violation of Public Policy, and (19) a representative claim under the Private Attorney’s General Act of 2004.

13. On July 26, 2023, Plaintiff Leyva filed a class action complaint against Defendants Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., and Universal Service Recycling Nevada, LLC., alleging eleven causes of action: (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; and (11) Violation of

1 Business & Professions Code § 17200 *et seq.*

2 14. Simultaneously, on July 26, 2023, Plaintiff Leyva submitted a Private Attorneys
3 General Act (“PAGA”) notice letter to the Labor Workforce Development Agency (“LWDA”)
4 and served Defendants Universal Service Recycling, Inc., Universal Service Recycling Merced,
5 Inc., and Universal Service Recycling Nevada, LLC. A true and correct copy of the confirmatory
6 email and the LWDA letter submitted on behalf of Plaintiff is attached hereto as **Exhibit 2**. The
7 LWDA did not express an interest in investigating Plaintiff Leyva’s claims within the 65-day
8 period. Therefore, on September 29, 2023, Plaintiff Leyva filed a First Amended Complaint
9 adding a cause of action for penalties under the Private Attorneys General Act (“PAGA”).

10 15. Plaintiffs contend that Defendants failed to pay Class Members all wages due and
11 owing, including by requiring off the clock work, failing to provide meal and rest breaks, failing
12 to furnish accurate wage statements, failing to timely pay wages including final wages, failing to
13 maintain accurate records, failing to produce requested employment records, failing to reimburse
14 necessary business expenses, and failing to comply with Wage Order obligations with respect to
15 excessive heat, humidity, or cold in work processes.

16 16. On May 6, 2025, Plaintiff Leyva filed a Second Amended Complaint adding Plaintiff
17 Sysavanth to this Action.

18 **INVESTIGATION AND DISCOVERY**

19 17. I have participated in all discovery, mediation and negotiations since the inception of
20 Plaintiffs’ case. Before filing the lawsuit, Class Counsel investigated and researched the facts and
21 circumstances underlying the pertinent issues and the law applicable thereto. This required
22 thorough discussions and interviews between Class Counsel and Plaintiffs, as well as preliminary
23 research into the various legal issues involved in the case. After conducting their initial
24 investigation, Class Counsel determined that Plaintiffs’ claims were well-suited for class and
25 representative action adjudication owing to what appeared to be a common course of conduct
26 affecting a similarly situated group of employees.

27 18. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts
28 and claims giving rise to the action, including: (1) conducting formal and informal discovery and

1 meeting and conferring with defense counsel about same; (2) reviewing and analyzing a sampling
2 of time and pay records as well as employment handbooks, Plaintiffs' personnel files, relevant
3 policies and other documentation; (3) researching the applicable law and potential defenses; (4)
4 constructing damage models based on interpretations of California law; and (5) reviewing
5 information provided by Defendants at the mediation. The Class enumerated in this action is
6 ascertainable because the Class Members may be readily identified by reference to Defendants'
7 records. Defendants have agreed to share the information from these records with the Settlement
8 Administrator in order to identify and contact the Class Members. I understand there are
9 approximately 144 total Class Members.

10 19. Defendants, for their part, vigorously contested liability, the amount of claimed
11 damages, and the propriety of class certification. After Class Counsel analyzed the relevant
12 documents and gathered data, Class Counsel believed that this case was appropriate for resolution
13 via mediation. Given the high level of risk present for both sides, the parties elected to mediate
14 Plaintiffs' claims and explore the possibility of settlement.

15 20. On October 9, 2024, the parties mediated this case with Brandon McKelvey, a
16 respected and highly experienced mediator in wage and hour class actions. During mediation,
17 Plaintiffs' and Defendants' counsel discussed all aspects of the case, including the risks of
18 litigation and the risks to both parties of proceeding with a motion for class certification as well as
19 the law relating to unpaid wages, meal periods, rest periods, wage statements, and final pay. As a
20 result of the mediation, the parties agreed to settle the lawsuit according to the terms set forth in
21 the Settlement Agreement. From Class Counsel's review of the facts, strengths, and weaknesses
22 of the case, the risks and delays posed by further litigation, and Class Counsel's own prior
23 litigation experience, Class Counsel believes that the recovery for each class member is fair and
24 reasonable taking into consideration the amounts received in other wage and hour class actions,
25 the risks inherent in litigation of this genre, and the reasonable tailoring of each Class Member's
26 claim to the settlement award he or she will receive. Further, and based on the settlement
27 negotiations, which were extensive and conducted in good faith and at arm's length between
28 attorneys with substantial experience litigating class actions and wage and hour cases, the

1 Settlement Agreement was the product of a non-collusive settlement process in which the parties
2 were forced to make significant compromises in the interest of reaching a full and complete
3 settlement of the lawsuit.

4 **SUMMARY OF SETTLEMENT**

5 21. The Parties have executed a Settlement Agreement attached hereto and incorporated
6 herein as **Exhibit 1**. Under the terms of the proposed Settlement Agreement, Defendants have
7 agreed to pay Six Hundred Ninety-Nine Thousand Dollars and Zero Cents (\$699,000.00) (“Gross
8 Settlement Amount”) on a non-reversionary basis to settle and release all claims asserted by
9 Plaintiffs in the Class Action and PAGA Action on behalf of the proposed Class. (Exh. 1, §1.23)

10 22. The Settlement Agreement defines the “Class” or “Class Members” as “all persons
11 employed by Defendants in California and classified as a non-exempt hourly employee who
12 worked for Defendants at any time between July 26, 2019, to January 7, 2025.” (Exh. 1, §1.6 and
13 §1.13) However, it does not include any person who submits a timely and valid request for
14 exclusion. (Exh. 1, §7.5.4) “Class Period” means the period from July 26, 2019, to January 7,
15 2025. (Exh. 1, §1.13)

16 23. The “Net Settlement Amount” shall be the Gross Settlement Amount, less the
17 Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, Settlement
18 Administration Costs, seventy-five percent (75%) of the LWDA Payment, and the Individual
19 PAGA Payments. (Exh. 1, §1.29) These amounts are detailed as follows:

- 20 • not more than Two Hundred and Thirty-Three Dollars and Zero Cents
21 (\$233,000.00) to Class Counsel for attorneys’ fees, and not more than Thirty-
22 Thousand Dollars and Zero Cents (\$30,000.00) to Class Counsel for litigation
23 costs; (Exh. 1, §3.2.2);
- 24 • not more than Six Thousand Five Hundred Dollars and Zero Cents (\$6,500.00) for
25 the Settlement Administration Costs; (Exh. 1, §3.2.3);
- 26 • not more than Ten Thousand Dollars and Zero Cents (\$10,000.00) to each of the
27 two Plaintiffs for a Class Representative Enhancement Payment; and (Exh. 1,
28 §3.2.1);

- Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) for civil penalties under the PAGA, where 75% (\$26,250.00) will be paid to the LWDA and 25% (\$8,750) will be paid to Aggrieved Employees for their Individual PAGA Payments. (Exh. 1, §3.2.5)

24. The “Individual Class Payment,” which is each Class Member’s share of the Net Settlement Amount, will be calculated and apportioned from the Net Settlement Amount based on the number of workweeks a Class Member worked during the Class Period as a non-exempt employee in California. (Exh. 1, §1.24)

25. Defendants’ corporate payroll tax obligations shall be paid in addition to the Gross Settlement Amount, and none of the Gross Settlement Amount will revert to Defendants. (Exh. 1, §3.1)

26. The settlement amount was a compromise figure, factoring in the inherent risks related to certification, liability and damages. However, taking into account all of the circumstances of the action and the defenses raised by Defendants against certification, liability and damages, Class Counsel believes that the settlement is fair and reasonable.

27. Class Members shall each receive a Notice of Settlement (“Class Notice”) via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List. (Exh. 1, §7.4.2) Before mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. (Exh. 1, §7.4.2) If the Class Notice is returned as non-deliverable on or before the Response Deadline and a new address is obtained by way of a returned Class Notice, then the Settlement Administrator will promptly forward the original Class Notice to the updated address via first-class regular U.S. mail, indicating on the original packet the date of such re-mailing. (Exh. 1, §7.4.3).

28. Class Members will have an opportunity to dispute the information provided in their Class Notice and they must timely produce evidence to support the information is inaccurate. (Exh. 1, §7.6) The Settlement Administrator shall decide the dispute and may ask Defendants to produce the personnel and payroll files of the Class Member disputing their credited workweeks

1 in order to resolve the dispute. (Exh. 1, §7.6)

2 29. Class Members wishing to opt-out from the Settlement Agreement must sign and
3 postmark a written request for exclusion to the Settlement Administrator. (Exh. 1, §7.5). Class
4 Members will also have the opportunity to object to the Settlement Agreement, by serving a copy
5 of the objection to the Settlement Administrator. (Exh. 1, §7.7) All opt outs and objections must
6 be served within sixty (60) calendar days of first mailing of the Class Notice. (Exh. 1, §1.44)
7 Class Members who do not serve written objections may not object to the settlement by way of
8 appeal. (Exh. 1, §10.4)

9 **THE STRENGTH OF PLAINTIFFS' CASE**
10 **IN LIGHT OF THE SETTLEMENT AMOUNT**

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

16 31. The strength of the plaintiff's case in light of the settlement amount is deemed by
17 courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175
18 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs allege that Defendants failed to pay
19 minimum wages and overtime, failed to provide proper meal breaks or provide premium pay in
20 lieu thereof, failed to provide proper rest breaks or provide premium pay in lieu thereof, failed to
21 provide accurate wage statements, failed to timely pay all wages upon termination, failed to
22 maintain accurate records, failed to produce requested employment records, failed to reimburse
23 necessary business expenses, and failed to comply with Wage Order obligations with respect to
24 excessive heat, humidity, or cold in work processes in violation of California law. Plaintiffs seeks
25 related violations of California's Business & Professions Code, and penalties pursuant to Labor
26 Code § 2699 *et seq.* Plaintiffs conducted formal and informal discovery and investigated each of
27 the claims they alleged. Specifically, Defendants produced the following: (a) all versions of
28 Defendants' employee handbook in effect during the Class Period; (b) Defendants' policies and

1 procedures pertaining to minimum wages, overtime, meal breaks, and rest breaks, which were in
2 effect during the Class Period; (c) Plaintiffs' personnel files; (d) Plaintiffs' timekeeping and
3 payroll records; (e) a sampling of the Class Members' timekeeping and payroll records; and (f)
4 information on the class demographics including the total number of Class Members during the
5 Class Period, total number of Class Members during the PAGA Period, total number of current
6 employees, total number of former employees in the relevant time period, average hourly rate of
7 pay, total number of workweeks worked during the Class Period, and the total number of
8 paychecks issued during the relevant time period. The merits of each of these claims will be
9 addressed separately below.

10 32. Based on the data provided, Class Counsel estimated the following maximum
11 exposures: unpaid wage claim at \$375,969.00, meal period claim at \$276,053.85, rest period
12 claim at \$276,053.85, wage statement claim at \$372,000.00, waiting time penalties at
13 \$342,885.00, reimbursement of business claim at \$7,200.00, and on PAGA, Plaintiffs estimated
14 the maximum exposure at \$1,047,100.00.

15 33. However, taking into account the difficulties of proof, the Defendants' defenses, and
16 other attendant risks, Plaintiffs estimate that the total amount of damages, monetary penalties, or
17 other relief that the class could reasonably expect to be awarded at trial is significantly less than
18 the maximum exposure.

19 **Minimum Wages and Overtime**

20 34. Plaintiffs alleged that Defendants failed to pay Plaintiffs and Class Members minimum
21 wages for all hours worked, in violation of minimum wage laws. Plaintiffs contended that Class
22 Members were not paid all wages they were owed including for all worked performed and for all
23 overtime hours worked. Specifically, at the beginning of Class Members' shift, they were
24 required to assist clients, unload cars and shipments, and wait in line in order to clock in. When
25 Plaintiffs were required to assist clients and unload cars prior to the start of their shift, this often
26 resulted in upwards of 30 minutes of off the clock work. Plaintiffs were never compensated for
27 this off the clock time.

28 35. Defendants contended that they paid for all reported hours worked, that Class Members

1 were trained to record all hours worked, and that they paid proper minimum wages. Defendants
2 argued that given their written policies and practices, any unrecorded hours were likely subject to
3 individualized inquiry and unlikely to be certified. Given the difficulty in certifying this claim,
4 Class Counsel had to apply a significant discount to damages based on this theory.

5 36. Based on the above detailed facts, Class Counsel estimated Defendants' exposure on
6 unpaid wages claims to be approximately \$375,969.00 (Plaintiffs' expert calculated 10 minutes of
7 off the clock work per workweek). However, Class Counsel believes this estimate is high given
8 that many individualized issues would apply making certification of this claim difficult to
9 achieve.

10 **Meal Periods and Rest Breaks**

11 37. Plaintiffs alleged that Defendants consistently failed to provide timely and
12 uninterrupted meal breaks to Class Members. *See Brinker Restaurant Corp. v. Super. Ct.* (2012)
13 53 Cal.4th 1004, 1040 (“[T]he wage order’s meal period requirement is satisfied if the employee
14 (1) has at least 30 minutes uninterrupted, (2) is free to leave the premises, and (3) is relieved of all
15 duty for the entire period.”).

16 38. Plaintiffs argued that Defendants had a common practice and policy of denying
17 compliant meal periods and that Defendants' meal policies were facially defective. Specifically,
18 Plaintiffs and Class Members were regularly required to work through their meal periods, and
19 were often interrupted during their thirty (30) minute meal periods in accordance with California
20 law. Moreover, what meal periods Class Members did receive were provided well after their fifth
21 consecutive hour of work. This practice of providing untimely and late meal periods comports
22 with Defendants' defective meal period policy (requiring Class Members to take their meal
23 periods after their fifth hour of work) uniformly applicable to all Class Members. For each meal
24 period missed, of less than 30 minutes, or taken late for which the employee was not provided a
25 reasonable opportunity to take a complete and timely meal period, an employer must pay the
26 employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of
27 compensation is referred to as “premium pay.” To comply with these laws, every employer must
28 keep, for each employee, accurate time records showing when the employee begins and ends each

1 work period and takes his or her meal periods. *See* Wage Order 1-2001(7)(A)(3).

2 39. Defendants disagreed with Class Counsel's interpretation of the law and facts.
3 Defendants contended that Class Members were given a reasonable opportunity to take their meal
4 periods, and in fact received their meal periods most of the time. Defendants argued they have a
5 high meal period compliance rate.

6 40. Class Counsel estimated Defendants' maximum total exposure on the meal break claim
7 at approximately \$276,053.85 (14,193 workweeks x 1 (1 meal break violation every week) x
8 \$19.45 average hourly pay). However, Class Counsel believes this estimate is high given that
9 Defendants' meal break policy was valid, and many individualized issues would apply making
10 certification of this claim difficult to achieve.

11 41. The same argument applied to rest breaks. Plaintiffs contended that Defendants did not
12 provide Class Members with paid 10-minute rest breaks for every four hours or major fraction
13 thereof. Class Members consistently worked in excess of consecutive four-hour shifts and were
14 entitled to paid rest breaks of not less than ten minutes for each consecutive four-hour shift which
15 they were denied. Class Members were required to work through their rest breaks, and through
16 their entire shifts.

17 42. Defendants maintained that they did provide the reasonable opportunity for Class
18 Members to take duty-free rest breaks. Defendants also pointed out that, unlike meal periods, rest
19 breaks need not be recorded, and Defendants dispute all allegations that breaks were not received.
20 As these considerations would likely depress the damages *vel non* ultimately awarded, Class
21 Counsel applied significant and appropriate discounts to the rest-break claim.

22 43. Class Counsel estimated Defendants' maximum total exposure on the rest break claim
23 at approximately \$276,053.85 (14,193 workweeks x 1 (1 rest break violations every week) x
24 \$19.45 average hourly pay. However, Class Counsel believes this estimate is high given that
25 Defendants' rest break policy was valid, and many individualized issues would apply making
26 certification of this claim difficult to achieve.

27 **Paystub Violations**

28 44. Plaintiffs also contended that Defendants failed to provide Class Members with

1 accurate, itemized wage statements in writing as required by California Labor Code § 226(a)
2 because the wage statements failed to include the total hours per pay period and failed to
3 accurately account for all off the clock work. Moreover, Plaintiffs contended the wage statements
4 failed to accurately account for premium pay for deficiently provided meal and rest breaks which
5 Defendants knew or reasonably should have known were owed to Plaintiffs and Class Members.
6 As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), the Class
7 Members suffered injuries, including, among other things, confusion over whether they received
8 all wages owed to them. Pursuant to Labor Code §§ 226(a) and 226(e), employees are entitled to
9 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a
10 violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not
11 exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an
12 award of costs and reasonable attorneys' fees.

13 45. Defendants contend that Plaintiffs' claim for further Labor Code § 226(e) penalties
14 would depend in large part on his underlying meal period and wage claims, and thus be subject to
15 the same defenses. Additionally, Defendants argue this claim has little or no value. *See*
16 *Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1336-1337 (2018) (wage statements
17 that accurately report wages paid to employees do not violate Labor Code § 226, even if it is later
18 determined that employer did not properly pay all wages due). Defendants further contend that
19 Labor Code § 226(e) penalties are not automatic. Rather, the employee must show (1) that he or
20 she "suffered injury" from the employer's failure to provide compliant wage statements, *see*
21 *Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d 1169, 1181 (applying California law)
22 (holding employee was not entitled to penalties because no injury was shown), and (2)
23 Defendants' noncompliance was "knowing and intentional." Finally, because the damages for this
24 cause of action are penalties, the statute of limitations only runs from one year prior to the filing
25 of the original complaint. *See* Cal. Civ. Pro. § 340.

26 46. Class Counsel estimated Defendants' maximum total exposure on the section 226 claim
27 at approximately \$372,000.00 (\$50/\$100 x 6,054 number of paystubs from July 26, 2022, to
28 October 9, 2024, based on 93 employees). Class Counsel believes it may be difficult to prevail on

1 this claim because Class Members would need to show that they suffered an injury and that
2 Defendants' noncompliance was knowing and intentional (on top of the challenges described
3 above with the underlying wage and break claims) which are both subject to many individualized
4 issues making certification of this claim difficult to achieve.

5 **Failure to Pay Final Wages**

6 47. In failing to pay the California Class Members their minimum wages, overtime wages,
7 and premium pay for deficiently provided meal periods and rest breaks, all discussed above,
8 Defendants willfully failed to pay these the California Class Members all wages due and certain
9 at the time of termination or within seventy-two (72) hours of resignation, as required under
10 Labor Code § 203.

11 48. Labor Code § 203 provides that if an employer willfully fails to pay an employee all
12 wages due at termination or within 72 hours of resignation, then that employee's wages shall
13 continue as a penalty until paid for a period of up to thirty (30) days from the date they were due.
14 Because Class Members stopped working for Defendants but again were not paid their full
15 compensation for the reasons discussed above, Class Members did not receive all wages due upon
16 termination of employment.

17 49. Defendants argued that, under Labor Code § 203, employers are only obligated to pay
18 waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of
19 termination or resignation. As Title 8, California Code of Regulations, § 13520 states:

20 A willful failure to pay wages within the meaning of Labor Code Section 203
21 occurs when an employer intentionally fails to pay wages to an employee when
22 those wages are due. However, a good faith dispute that any wages are due will
preclude imposition of waiting time penalties under Section 203.

23 A "good faith dispute" that any wages are due occurs when an employer presents
24 a defense, based in law or fact, which, if successful, would preclude any recovery
25 on the part of the employee. The fact that a defense is ultimately unsuccessful will
26 not preclude a finding that a good faith dispute did exist. Defenses presented
which, under all the circumstances, are unsupported by any evidence, are
unreasonable, or are presented in bad faith, will preclude a finding of a "good
faith dispute."

27 Defendants maintained that because they had viable defenses in both law and fact, especially in
28 light of the *Brinker* holding, that waiting-time penalties could not be awarded and, in any case,

1 such penalties were subject to a three-year limitations period under Labor Code § 203(b).

2 50. Class Counsel estimated Defendants' maximum total exposure on the section 203 claim
3 at approximately \$342,885.00 (61 terminated employees from July 26, 2020, to October 9, 2024,
4 x 30 days x 9.1 hours per shift x \$19.45 average rate of pay). Class Counsel estimates it would be
5 difficult to recover waiting time penalties given that Plaintiffs would need to show willfulness on
6 top of proving the underlying wage and break claims which are both subject to many
7 individualized issues making certification of this claim difficult to achieve.

8 **Failure to Reimburse for Necessary Business Expenditures**

9 51. Labor Code § 2802 provides that an employer must reimburse employees for all
10 necessary expenditures incurred in the performance of their job duties. Plaintiffs worked for
11 Defendants and in the course of performing their job duties, incurred necessary business-related
12 expenses, including, cell phone expenses. Defendants maintained that Plaintiffs and the Class
13 members were not required to use their personal cell phones.

14 52. Class Counsel estimated Defendants maximum total exposure for failing to reimburse
15 business expenses at approximately \$7,200 (\$50 x 144 employees). Class Counsel believes it
16 would be difficult to recover on this claim because Defendants did not require Class Members to
17 use their personal cell phones, it is an individualized claim that only applies to Plaintiffs and it
18 would be difficult to certify in light of all the preceding arguments.

19 **PAGA Penalties**

20 53. The Labor Code Private Attorneys General Act, Labor Code § 2699 et seq., allows
21 Plaintiffs to obtain civil penalties on behalf of themselves and other Class Members for
22 Defendants' violation of any provision of the Labor Code enumerated under Labor Code §
23 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable;
24 where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one
25 hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and
26 two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent
27 violation. Pursuant to Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered
28 must be allocated to the Labor and Workforce Development Agency (LWDA), with the

1 remaining twenty-five (25) percent allocated to the affected employees. The limitations period as
2 for all penalties is one year prior to the filing of the complaint.

3 54. The provisions of the Labor Code potentially triggering PAGA penalties in this case
4 include but are not limited to Labor Code §§ 203, 204, 226(a), 226.2, 226.7, 510, and 1194,
5 Defendants asserted that if PAGA penalties were mandatory, an employer's PAGA liability
6 would be huge because of the possibility of collecting multiple civil penalties for a single
7 violation, and thus such penalties would almost always dwarf the damages available under the
8 causes of action. However, PAGA penalties are not mandatory but permissive. Labor Code §
9 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount
10 specified by this part if, based on the facts and circumstances of the particular case, to do
11 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See*,
12 *e.g.*, *Lopez v. Friant & Assocs., LLC*, 15 Cal. App. 5th 773, 788 (2017), *rev. denied* (2018),
13 (recognizing court's ability to reduce PAGA penalties). Courts have held that situations similar to
14 the current one (e.g. injuryless violations, technical errors, and substantial compliance) should
15 lead to reductions in penalties. *See Thurman v. Bayshore Transit Management, Inc.*, 203 Cal.
16 App. 4th 1112, 1134-1135 (2012) (holding that reduction was justified when employer
17 "attempted to comply with the law"); *Fleming v. Covdien, Inc.*, No. ED CV10-01487 RGK
18 (OPx), 2011 U.S. Dist. LEXIS 154590 at *8-9 (C.D. Cal. August 12, 2011) (reducing PAGA
19 penalties more than 80% – from \$2.8 million to \$500,000 – when "employees suffered no injury"
20 employers were "not aware" of the violation and "took prompt steps to correct all violations once
21 notified"). Defendants here maintained that it had a strong argument that it would be unjust to
22 award maximum PAGA penalties.

23 55. Furthermore, PAGA penalties are also derivative of each and every other claim, and
24 Defendants therefore argued the PAGA claims would be subject to the same defenses to the
25 underlying claims. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, it can be
26 argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for
27 initial violations under the applicable statutes, because Defendants have never been notified of the
28 alleged violations. *Id.* at 1208-1209. Moreover, Section 2699(e)(1) authorizes the Court to

1 exercise the same discretion as the DLSE whether to award civil penalties. *Amaral* 163 Cal. App.
2 4th 1157, 1211-12. Therefore, if Labor Commissioner - on whose behalf Plaintiffs are
3 prosecuting this action for civil penalties - would not impose civil penalties in a case like this, the
4 Court may not award civil penalties. Moreover, in *Thurman v. Bayshore Transit Mgmt., Inc.*
5 (2012) 203 Cal.App.4th 1112, 1136, the Court of Appeal affirmed the trial court's reduction of
6 PAGA civil penalties by 30 percent, finding that awarding the full penalties would have been
7 "unjust" because "...a court may award a lesser amount than the maximum civil penalty amount
8 specified by this part if, based on the facts and circumstances of the particular case, to do
9 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

10 56. Class Counsel estimated Defendants' maximum total exposure on the PAGA claim at
11 approximately \$1,047,100.00 (\$100 x 10,471 number of paystubs from July 26, 2022, to October
12 9, 2024). However, Class Counsel notes that owing to the discretionary nature of PAGA penalties
13 and the foregoing case law it is unlikely the Court would award the full penalty and that it would
14 be substantially reduced. Class Counsel applied discounts in light of the countervailing arguments
15 with regard to the other causes of action, and moreover the Court's power to award "a lesser
16 amount than the maximum civil liability." The parties also considered that the purpose of PAGA
17 is to "achieve maximum compliance with state labor laws," *Iskanian v. CLS Transp. Los Angeles,*
18 *LLC* (2014) 59 Cal. 4th 348, 379. This makes the settlements contemplated PAGA payment of
19 Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) appropriate.

20 **Unfair Business Practices**

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

25 **Summary**

26 58. The foregoing discussion has sought to explain how the settlement amount is adequate
27 in light of the merits of Plaintiffs' case. It has done this by explaining the legal basis for each of
28 Plaintiffs' causes of action, summarizing the evidence that Class Counsel gathered in support of

1 those causes of action, and relating Defendants' legal and factual arguments that worked to
2 derogate from the strength of Plaintiffs' case.

3 59. Class Counsel had to apply appropriate discounts in light of the facts and law as
4 discussed above. In addition, meal period liability exposure is limited by the fact that not all Class
5 Members worked on the same schedule and under the same supervisors, making the certification
6 of all Class Members across all locations less than a certainty. Thus, this settlement, like most
7 others, was the product of compromise. Because of these and other risks, a recovery of Six
8 Hundred Ninety-Nine Thousand Dollars and Zero Cents (\$699,000.00) under the Settlement
9 Agreement is an excellent result. Under the Settlement, each of the approximately 144 Class
10 Members will receive on average, assuming they worked throughout the class period, \$2,600.69
11 after expenses.

12 **THE RISK, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION,**
13 **AS WELL AS THE RISK OF MAINTAINING CLASS ACTION**
14 **STATUS THROUGH TRIAL**

15 60. The next *Clark/Kullar* factors recognize that settlements take into consideration the
16 risks and expenses posed by further litigation and, in the class-action context, the risk of non-
17 certification. Consequently, it is proper that trial courts should keep these considerations in mind
18 when judging the adequacy of class action settlements.

19 61. Further litigation of this case posed real risks for a number of reasons. First, there were
20 the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in
21 the previous section. In that section, it was observed that almost every cause of action was subject
22 to some unique indeterminacy of its own, and that the derivative causes of action were thus
23 subject to a double indeterminacy, both their own and those of the causes of action on which they
24 were based.

25 62. The parties disputed the effect of these and other issues on class certification and
26 decertification. Class Counsel maintained that there were several legal and factual questions at
27 issue in the case that could best be decided on a class wide basis. Class Counsel contended that
28 the same policies and practices applied to all Class Members and therefore common questions

1 obtained and were likely to predominate over individual inquiries. Defendants disputed these
2 contentions and insisted that the *Brinker* decision called into question the certifiability of cases
3 such as this one. Defendants also argued that its policies were compliant with the law, while
4 Plaintiffs dispute that the policies were lawful, and argued the lawfulness of such policies would
5 give rise to common questions amenable to certification. Thus, the parties had set positions on the
6 propriety of certifiability and liability that did not admit of an easy resolution.

7 63. Finally, it is always preferable to reach a relatively early resolution of a dispute
8 because, in addition to what has already been said, such resolutions save time and money that
9 would otherwise go to litigation. In light of the risk and expense of the lawsuit proceeding to trial
10 there was a need to resolve this matter soon than later. Most cases settle sooner or later. If this
11 case settled after further litigation, the settlement amount would have taken into account the
12 additional costs incurred, and there might have been less available for Class Members after all
13 was said and done. This is not just an abstract contention. The parties were moving into the phase
14 of this litigation where they would have had to depose a number of people such as managers,
15 supervisors, and employees in order to establish liability for trial. Discovery disputes would have
16 been in the offing. The parties were also aware that a class action trial would be a complicated
17 and expensive proceeding, and then there was the likelihood of a long, drawn-out appeals process.
18 In contrast, the settlement provides real benefits for Class Members in the immediate future. The
19 benefits are not insignificant for anyone, especially given the current economic climate.
20 Consequently, the risk and expense of further litigation outweighed any benefit that might have
21 been gained otherwise.

22 **NOTICE TO AND REACTION OF CLASS MEMBERS**
23 **TO THE PROPOSED SETTLEMENT**

24 64. It is premature to address this factor now, at the preliminary approval stage; however,
25 some observations are in order. First, the notification procedure set out in the Settlement
26 Agreement provides the greatest likelihood that each and every Class Member will receive the
27 Notice of Settlement (“Class Notice”), attached to the Settlement Agreement as **Exhibit A**. Under
28 the Settlement Agreement, the Settlement Administrator will send the Class Notice to each Class

1 Member via First Class U.S. mail. (Exh. 1, §7.4.2). Before mailing, the Settlement Administrator
2 will perform a search based on the National Change of Address Database for information to
3 update and correct for any known or identifiable address changes. (Exh. 1, §7.4.2) If the Class
4 Notice is returned as non-deliverable on or before the Response Deadline and a new address is
5 obtained by way of a returned Class Notice, then the Settlement Administrator will promptly
6 forward the original Class Notice to the updated address via first-class regular U.S. mail,
7 indicating on the original packet the date of such re-mailing. (Exh. 1, §7.4.3) Thus, most, if not
8 all, Class Members will likely receive the Class Notice.

9 65. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the
10 claims involved, the terms of the settlement, and their options thereunder. They provide for a
11 specific procedure to seek exclusion from the Class, and for lodging objections to the settlement.
12 The efforts taken to ensure that Class Members receive the Class Notice and are well informed
13 about the settlement augur a favorable response rate.

14 66. All Class Members will benefit because Defendants who have been sued are generally
15 more likely to comply with the law in the future. If a Class Member disputes the number of
16 workweeks stated for that Class Member in the Class Notice, the Class Member must ask the
17 Settlement Administrator to resolve the matter by submitting in writing under penalty of perjury
18 the workweeks that the Class Member claims to have actually worked for Defendants during the
19 Class Period. (Exh. 1, §7.6). After consultation with Class Counsel and Defendants' Counsel, the
20 Class Action Administrator will make a determination of the Class Member's total workweeks
21 during the applicable period. (*Id.*)

22 **CONCLUSION OF THE CLARK/KULLAR ANALYSIS**

23 67. The foregoing discussion establishes the fairness of the class-action settlement in the
24 instant case. It has done this by analyzing the settlement in light of the appellate decisions in
25 *Clark* and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and
26 adequate. Class Counsel conducted a thorough investigation of the subject wage-and-hour
27 practices and engaged in non-collusive, arm's-length negotiations in order to reach a settlement.
28 Defendants have agreed to pay fair value to settle Plaintiffs' claims given the existence of legal

1 uncertainty, particularly with regard to Plaintiffs' claim for failure to provide proper meal periods.
2 From Class Counsel's substantial experience with wage-and-hour class action lawsuits Class
3 Counsel believes that this case could not have settled on better terms under the circumstances.
4 Request therefore is made that the settlement be granted preliminary approval so that those
5 persons whom it was intended to benefit shall be afforded the opportunity to determine its
6 adequacy.

7 **REQUEST FOR ATTORNEYS' FEES**

8 68. Under the Settlement, Class Counsel also requests, without opposition from
9 Defendants, an award of Attorneys Fees and Costs consisting of: (1) Two Hundred and Thirty-
10 Three Dollars and Zero Cents (\$233,000.00) in Attorneys' Fees and (2) Thirty-Thousand Dollars
11 and Zero Cents (\$30,000.00) for reimbursement of Class Counsel's costs. (Exh. 1, §3.2.2). This
12 request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work
13 they have put into this case and, moreover, the risk they assumed by taking it in the first place.
14 The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work
15 that they have already done and for all the work they will continue to do in carrying out and
16 overseeing the notification to Class Members, communicating with Class Members regarding
17 their claims, and assisting in the administration of the settlement if it is preliminarily approved.

18 69. D.Law, Inc. took this case on a contingent-fee basis against a business represented by a
19 reputable defense firm. When we take contingent cases, we must pay careful attention to the
20 economics involved or one bad case can destroy years of work. Accordingly, when we take
21 contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
22 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
23 number of hours in a day is limited. Because of this, when we take on one particular matter, we
24 are unable to take on other matters. When Class Counsel became involved in this case, we
25 realized the time commitment that it would entail and we were forced to turn down matters that
26 we otherwise should have been able to handle. In sum, this case claimed a significant portion of
27 Class Counsel's time and attention throughout its pendency.

28 70. The requested fee is reasonable for the services provided to Class Members and for the

benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory, *see Bihun v. AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees would still be justified. Here, the lodestar may exceed the requested fees. Class Counsel will more fully brief the Court on its lodestar in the motion for final approval.

ENHANCEMENT TO PLAINTIFFS AS THE CLASS REPRESENTATIVES

71. Plaintiffs herein are entitled to a reasonable service payment for their efforts and initiative in bringing and helping to prosecute this action. Plaintiffs spent a considerable amount of time better apprising themselves of their rights, deciding whether remedial action should be taken, how it should be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with Plaintiffs discussing the case and the law. In the end, Plaintiffs decided to vindicate not only their own rights but also those of their co-workers by filing a class action lawsuit.

72. The courage it took to stand up to Defendants by filing and litigating this action in this way should not be underestimated. By suing Defendants, Plaintiffs increased their risk of retaliation by prospective employers. Plaintiffs' lawsuit has now required Defendants to expend considerable resources, and Plaintiffs justifiably fear the fact that they served as class representatives in a wage and hour class action will not be lost on a prospective employer who has to choose between an applicant who has never sued a prior employer and one who has. Plaintiffs contend this risk is particularly real in the information age, where employers can, more easily than ever, perform background checks of prospective employees, sometimes with the stroke of a key. It is common for employers to screen employee candidates to determine whether they have ever filed suit, and employee candidates who might be branded "litigious" are likely to be screened out of the process. In fact, an entire industry has developed for providing employers with background information on employee candidates.

73. But Plaintiffs did not allow their fear of the potential repercussions of being a class representative deter them from acting for the benefit of Class Members. To the contrary, Plaintiffs have been intimately involved in this case since its inception. They have devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every

1 stage of the litigation. Both before and after the filing of this lawsuit, Plaintiffs conferred with
2 Class Counsel on numerous occasions to discuss every aspect of their case. Plaintiffs provided
3 Class Counsel with information about Defendants and about the industry generally, reviewed
4 documents, identified witnesses, consulted Class Counsel throughout the litigation repeatedly and
5 at length, participated in the mediation process, monitored the progress of the litigation with Class
6 Counsel, and reviewed and signed the Settlement Agreement.

7 74. Plaintiffs have spent a significant amount of time with Class Counsel detailing their
8 knowledge of Defendants' practices and helping Class Counsel with the prosecution of this
9 action. They have diligently, adequately, and fairly represented Class Members, and have not
10 placed their interests above any member of the putative class. The payment to Plaintiffs are
11 intended to recognize their time and effort on behalf of the Class. The amount requested is fair
12 and appropriate based on their contribution and involvement. For example, Plaintiffs instigated
13 the lawsuit by bringing these violations to the attention of Class Counsel. They spent several
14 hours answering questions and providing information to Class Counsel throughout the pendency
15 of this action. They identified witnesses, explained to Class Counsel day to day business practices
16 of Defendants with regard to work schedules and meal breaks, etc. The parties are in agreement
17 that Plaintiffs are entitled to an enhancement for their time and effort in this matter. This sort of
18 payment to a class representative has been a common feature of settlements negotiated by Class
19 Counsel and has been routinely approved by trial courts.

20 75. In light of the foregoing, Class Counsel believes that the Class Representative
21 Enhancement payment in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) to
22 each Plaintiff is fair and reasonable. This amount is a far cry from the \$50,000 of enhancement
23 awards to the two named plaintiff approved by the trial court in *Clark*. See *Clark, supra*, 175
24 Cal.App.4th at 807. Although Class Counsel appreciate that the Court has a duty to ensure that
25 class representatives are not overcompensated at the expense of the class, modest incentive
26 awards in employment class actions, such as the one here, are necessary not only to compensate
27 class representatives for the time they spend in the case, but also, and more importantly, to
28 encourage aggrieved employees to challenge questionable employment practices notwithstanding

1 the very real consequences they may face.

2 **CRITERIA SATISFIED FOR CERTIFICATION OF SETTLEMENT CLASS**

3 76. The proposed Classes satisfy the criteria for certification of a settlement class under
4 California law, as embodied in California Code of Civil Procedure § 382. Defendants have agreed
5 to the certification of the class for settlement purposes. In general, courts may take a proposed
6 settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor*
7 *Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies in
8 certifying classes for settlement purposes. *Ibid.* Therefore the Court should take into
9 consideration the fact that the parties have settled their claims and stipulated to certification for
10 settlement purposes when assessing typicality and adequacy.

11 a. Numerosity. The putative classes are so numerous that joinder of all members is
12 impractical. Class Members are “all persons employed by Defendants in California and classified
13 as a non-exempt, hourly employee who worked for Defendants at any time between July 26,
14 2019, to January 7, 2025.” There are approximately 144 persons answering to this definition.
15 Thus, there are a sufficient number of Class Members to warrant certifying this as a class action
16 for settlement purposes.

17 b. Ascertainability. The putative classes are defined in a manner that is precise,
18 objective, and ascertainable. The Class Members have already been identified by reference to
19 Defendants’ payroll and personnel records.

20 c. Typicality. A class representative’s claims are typical when they arise from the
21 same event, practice, or course of conduct that gives rise to the claims of other putative class
22 members, and if their claims rest on the same legal theories. The class representative’s claims
23 must be “typical” but not necessarily identical to the claims of other class members. It is
24 sufficient that the representative is similarly situated so that he or she will have the motive to
25 litigate on behalf of all Class Members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I.*
26 *Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 (“[I]t has never been
27 the law in California that the class representative must have identical interests with the class
28 members.”). Thus, it is not necessary that the class representative should have personally incurred

1 all of the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.*
2 (2001) 91 Cal.App.4th 224, 228.

3 Plaintiffs' claims are typical of Class Members' claims because they arose from the same
4 factual basis and are based on the same legal theories. Plaintiffs were employed by Defendants
5 during the Class Period subject to the allegedly unlawful meal and rest break policies and pay
6 practices at issue in this litigation. Accordingly, Plaintiffs are members of the class. The central
7 issues of this litigation (whether Defendants failed to pay all wages, whether Defendants failed to
8 provide meal and rest periods, etc.), which would arise if this were an individual action brought
9 by Plaintiffs, apply to the other Class Members as well, and the answer to these questions would
10 determine Defendants' liability to the entire putative class. Thus, Plaintiffs' claims are typical of
11 the claims of the putative class. Accordingly, the typicality requirement is satisfied.

12 d. Adequacy. A class representative must possess the same interest and suffer the
13 same injury as the class members. "To assure 'adequate' representation, the class representative's
14 personal claim must not be inconsistent with the claims of other members of the class." *J.P.*
15 *Morgan & Co., Inc. v. Sup.Ct. (Heliotrope General, Inc.)* (2003) 113 Cal.App.4th 195, 212. Thus,
16 the adequacy requirement is satisfied when the class representative's interests are not antagonistic
17 to those of the class. *McGhee v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

18 Plaintiffs do not have any conflicts with the class and in fact their interests are aligned
19 with those of the class. Because Plaintiffs' claims are identical to those that would be asserted by
20 the unnamed Class Members were they before the Court, Plaintiffs have every interest in
21 zealously representing the unnamed class members. Plaintiffs have not shrunk from this
22 responsibility. Indeed, Plaintiffs have devoted a substantial amount of time and energy to
23 litigating this action and effecting a settlement. Furthermore, as detailed above, Class Counsel are
24 experienced in wage-and-hour litigation, especially class actions, and have zealously represented
25 the interests of the class in litigating this case. *See infra* ¶¶3-9. Accordingly, the adequacy
26 requirement is satisfied.

27 e. Commonality. Common questions of law or fact in this case predominate over
28 individual questions. This action involves, *inter alia*, a determination about Defendants' alleged

1 failure to provide meal and rest periods, failure to pay minimum wages, failure to pay all wages
2 due to allegedly common and unlawful policies, failure to pay final wages when required, failure
3 to provide accurate wage statements, failure to pay employees on a timely basis, and largely
4 derivative claims under the Business & Professions Code and PAGA. Plaintiffs contend these
5 practices, including an alleged practice of failing to provide complete meal periods, related meal
6 period policies applicable to the class, and the alleged failure to provide corresponding premium
7 payments, that affected class members in the same way. All class members were employed during
8 the Class Period. Therefore, the operative complaint delineates a common course of conduct
9 applicable to all Class Members. Therefore, based on Class Counsel's investigation, the review of
10 the discovery produced by Defendants, and their discussions with Plaintiffs, Plaintiffs contend the
11 evidence supports their position that the employment practices and policies of Defendants'
12 business were consistent and uniform.

13 f. Predominance. Individualized issues do not predominate over the issues of law and
14 fact that are common to the class as a whole. The principal issues of controversy are whether
15 Class Members were paid for all hours worked and provided lawful meal breaks. As explained,
16 *supra*, there are common issues of law and fact given that Plaintiffs and all Class Members were
17 subjected to the same policies and pay practices during the relevant time period. Plaintiffs and
18 Class Members seek meal and rest break premiums, unpaid wages and overtime, and penalties for
19 work performed as non-exempt employees for Defendants. These issues are suitable for common
20 adjudication because all Class Members were subject to the same employment policies and
21 Plaintiffs contend the practices applied uniformly to all Class Members.

22 g. Superiority. Class resolution is superior to other available methods for the fair and
23 efficient adjudication of the controversy. There is little interest or incentive for Class Members to
24 individually control the prosecution of separate actions. Although the injury resulting from
25 Defendants' policies and practices are real and significant, the cost of individually litigating each
26 such case against Defendants would easily exceed the value of any relief that could be obtained
27 by any one Class Member individually. If Class Members are forced to litigate their claims
28 individually this would result in about 144 individual actions against Defendants. Here, the

1 alternative methods of resolution are individual suits for relatively small amounts. Hence, an
2 individual suit would prove uneconomical for potential plaintiff because litigation costs would
3 dwarf a potential recovery.

4 h. Except for Plaintiffs' case before this Court, Plaintiffs are unaware of any other
5 actions by Class Members against Defendants asserting similar claims as here. Furthermore, San
6 Joaquin County is a compelling forum for this action given that Defendants' location is in San
7 Joaquin County and numerous Class Members work in this County.

8 i. There are no serious manageability difficulties presented by preliminarily
9 approving the case for settlement purposes. As this case will not go to trial if finally approved, all
10 that would remain is settlement administration and responding to possible objectors.

11 77. On April 2, 2025, Plaintiffs uploaded the Settlement Agreement and the Memorandum
12 of Points and Authorities in Support of Plaintiffs' Motion for an Order Preliminarily Approving
13 the Class Action Settlement, Approving Notice of Settlement, and Setting Hearing for Final
14 Approval. A true and correct copy of the confirmatory email from the LWDA is attached hereto
15 as **Exhibit 3**.

16 78. Class Counsel will be splitting the attorneys' fees for working together on this case as
17 follows: 75% to D.Law, Inc., and 25% to Law Offices of Corren & Corren. Plaintiffs have signed
18 an acknowledgment pursuant to this.

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

21 Executed this 15th day of May, at Glendale, California.

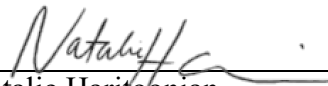
22 
23 _____
24 Natalie Haritoonian

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jorge Leyva (“Leyva”) and Lucky Sysavath (“Sysavath”) (collectively “Plaintiffs”) and defendants Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., Universal Service Recycling Nevada, LLC, and William Mendonca (collectively “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1 “Leyva Action” means the lawsuit titled *Jorge Leyva v. Universal Service Recycling, Inc., et al.*, currently pending in Superior Court of the State of California, County of San Joaquin, Case No. STK-CV-UOE-2023-7875.
- 1.2 “Sysavath Action” means the lawsuit titled *Sysavath v. Universal Service Recycling, Inc., et al.*, currently pending in Superior Court of the State of California, County of San Joaquin, Case No. STK-CV-UWT-2022-0001673. The Leyva Action and Sysavath Action are collectively referred to in this Agreement as the “Action.”
- 1.3 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.4 “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.
- 1.5 “Aggrieved Employee” means a person employed by Defendants in California and classified as a non-exempt, hourly employee who worked for Defendants during the PAGA Period.
- 1.6 “Class” means all persons employed by Defendants in California and classified as a non-exempt, hourly employee who worked for Defendants during the Class Period.
- 1.7 “Class Counsel” means Emil Davtyan, David Yeremian, and Natalie Haritounian of D.Law, Inc. and Adam Corren and Spencer Sinclair of Law Offices of Corren & Corren.
- 1.8 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.9 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.10 “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 an Aggrieved Employee).
- 1.11 “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.
- 1.12 “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, if applicable in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.13 “Class Period” means the period from July 26, 2019 to January 7, 2025 (or through the date of preliminary approval, whichever is earlier).
- 1.14 “Class Representatives” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as a Class Representatives.
- 1.15 “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.16 “Court” means the Superior Court of California, County of San Joaquin.
- 1.17 “Defendants” means named Defendants Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., Universal Service Recycling Nevada, LLC, and William Mendonca.
- 1.18 “Defense Counsel” means Katherine Roberts, Aimee Mackay, and Nicole Kwan of Sidley Austin, LLP.
- 1.19 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (b) the dismissal of any appeal, writ, or other appellate proceeding opposing the Settlement with no right to pursue further remedies or relief; or (c) any appeal, writ, or the issuance of such other final appellate order, upholding the Court’s final order with no right to pursue further remedies or relief.
- 1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

- 1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.22 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.23 “Gross Settlement Amount” means \$699,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 3 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.
- 1.24 “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.
- 1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.28 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, 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.
- 1.30 “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.
- 1.31 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.32 “PAGA Period” means the period from December 15, 2020 to January 7, 2025 (or through the date of preliminary approval, whichever is earlier).

- 1.33 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34 “PAGA Notice” means Plaintiff Leyva’s July 26, 2023 letter to Defendants and the LWDA as well as Plaintiff Sysavath’s December 15, 2021 letter to Defendants and LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$8,750.00) and the 75% to LWDA (\$26,250.00) in settlement of PAGA claims.
- 1.36 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37 “Plaintiffs” means Jorge Leyva and Lucky Sysavath, the named plaintiffs in the Action.
- 1.38 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.39 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.41 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.42 “Released Parties” means: Defendants and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.43 “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.
- 1.44 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved 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 his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.45 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.46 “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On July 26, 2023, Plaintiff Leyva commenced an action by filing a Complaint alleging causes of action against Defendants for failing to pay minimum wages, overtime wages, failing to provide meal periods, failing to provide rest periods, failing to provide accurate itemized wage statements, failing to timely provide wages including wages due upon termination, failing to maintain accurate records, and failing to provide reimbursable expenses, and failing to produce requested employment records. On September 29, 2023, Plaintiff Leyva filed a First Amended Complaint alleging causes of action against Defendants for alleging causes of action against Defendants for civil penalties under the California Private Attorneys General Act (“PAGA”). On March 4, 2022, Plaintiff Sysavath filed a complaint alleging the following wage and hour causes of action against Defendants: failing to pay minimum, promised, and overtime wages; failing to provide meal periods; failing to provide rest periods; failing to provide accurate itemized wage statements; failing to timely provide wages including wages due upon termination; and failing to maintain accurate records. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) Plaintiff Leyva will file a Second Amended Complaint adding Plaintiff Sysavath to this Action. Defendants deny the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3 On October 9, 2024, the Parties participated in an all-day mediation presided over by Brandon McKelvey which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through formal and informal discovery, payroll and timekeeping records and other data. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”).

2.5 The Court has not granted class certification.

2.6 The Parties, Class 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 9 below, Defendants promise to pay \$699,000.00 and no more 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. Defendants have 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 Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 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 Payment to each of the Class Representatives of not more than \$10,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third, which is currently estimated to be \$233,000.00 and a Class Counsel Litigation Expenses Payment of not more than \$30,000.00. Defendants will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants,

from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$6,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$6,500.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 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.
 - 3.2.4.1 Tax Allocation of Individual Class Payments. 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. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). 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 Aggrieved Employees: PAGA Penalties in the amount of \$35,000.00 to be paid from the Gross Settlement Amount, with 75% (\$26,250.00) allocated to the LWDA PAGA Payment and 25% (\$8,750.00) 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 Aggrieved Employees' 25% share of PAGA Penalties (\$8,750.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - 3.2.5.2 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.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are 144 Class Members who collectively worked a total of 14,193 Workweeks, and 114 of Aggrieved Employees who worked a total 10,259 of PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. 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, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 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 Settlement 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 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment, where applicable. 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 a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 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.
- 4.4.3 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).
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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 on the date when Defendants fully fund the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Aggrieved Employees, will release claims against all Released Parties as follows:

- 5.1 **Plaintiffs' Release.** Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period and PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, or ascertained during the Action and released under 6.2, below. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time,

or based on occurrences outside the Class Period and/or PAGA Period. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint (as well as Class Period facts ascertained in the course of the Action) including, but not limited to, any and all claims involving any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay reimbursable expenses; (i) failure to produce requested employment records; (j) failure to comply with California Wage Order obligations with respect to excessive heat, humidity, or cold in work processes; (k) violation of Business & Professions Code § 17200, *et. seq.*; and (l) violation of Labor Code § 2698, *et. seq.* Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including, but not limited to any and all claims involved any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay

reimbursable expenses; (i) failure to produce requested employment records; (j) failure to comply with California Wage Order obligations with respect to excessive heat, humidity, or cold in work processes; (k) violation of Business & Professions Code § 17200, *et. seq.*; and (l) violation of Labor Code § 2698, *et. seq.*

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

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 PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from each Class Counsel firm 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 Complaint (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, the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration 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.** Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.3 **Duty to Cooperate.** If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will

expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

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

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

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

7.4 Notice to Class Members.

7.4.1 No 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 Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, if 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 (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice 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.

- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 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.
- 7.4.5 If the Administrator, Defendants 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 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). 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.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 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.

7.5.4 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 Aggrieved Employees 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. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with 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 is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

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

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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

- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to 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 Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, 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 validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or 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/or 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 14 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 and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 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 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.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendants estimate that, as of the date of this Settlement Agreement, (1) there are 144 Class Members and 14,193 Total Workweeks during the Class period and (2) there were 114 Aggrieved Employees who worked 10,259 Pay Periods during the PAGA Period. If the Total Workweeks increases by more than 10%, then the GSA will be increased proportionally by the number of workweeks worked in excess of 10%. For example if the Total Workweeks increases by 15%, then the GSA will increase by 5%.
9. **DEFENDANTS' 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, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 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 seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents

in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 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 Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' 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).

12.2 **Confidentiality Prior to Preliminary Approval.** Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) 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. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 **No Solicitation.** The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict

Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.
- 12.6 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.
- 12.7 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.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants 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.
- 12.9 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.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.

- 12.12 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.
- 12.13 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.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants 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 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 Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15 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.
- 12.16 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.
- 12.17 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 Plaintiffs:

D.Law, Inc.

Emil Davtyan

emil@d.law

David Yeremian

d.yeremian@d.law

Natalie Haritoonian

n.haritoonian@d.law

450 N. Brand Blvd., Suite 840

Glendale, CA 91203

Telephone: (818) 962-6465

Law Offices of Corren & Corren
Adam Corren
acorren@correnlaw.com
Spencer Sinclair
ssinclair@correnlaw.com
3425 Brookside Road, Suite B
Stockton, CA 95219
Telephone: (209) 478-2621

To Defendants:
Sidley Austin LLP
Katherine A. Roberts
kate.roberts@sidley.com
Aimee Mackay
aimee.mackay@sidley.com
Nicole Kwan
nkwan@sidley.com
350 South Grand Avenue
Los Angeles, CA 90071
Telephone: 213-896-6000

12.18 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.

12.19 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.

Dated: November 22, 2024



Jorge Leyva

Dated: November 20, 2024

Lucky Sysavath
Lucky Sysavath (Nov 20, 2024 07:02 PST)
Lucky Sysavath

Dated: November _____, 2024

Universal Service Recycling, Inc.
By: _____
Its: _____

Dated: November _____, 2024

Universal Service Recycling Merced, Inc.
By: _____
Its: _____

Dated: November _____, 2024

Universal Service Recycling Nevada, LLC
By: _____
Its: _____

Dated: November _____, 2024

William Mendonca

AGREED AS TO FORM

Dated: November _____, 2024

D.LAW, INC.

Natalie Haritonian

Dated: November ____, 2024

Lucky Sysavath

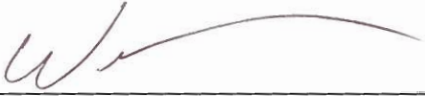
Dated: November 21, 2024



Universal Service Recycling, Inc.

By: William Mendonca
Its: President

Dated: November 21, 2024



Universal Service Recycling Merced, Inc.

By: William Mendonca
Its: President

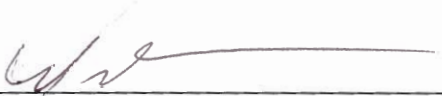
Dated: November 21, 2024



Universal Service Recycling Nevada, LLC

By: William Mendonca
Its: President

Dated: November 21, 2024



William Mendonca

AGREED AS TO FORM

Dated: November ____, 2024

D.LAW, INC.

Natalie Haritoonian

Dated: November ____, 2024

Lucky Sysavath

Dated: November ____, 2024

Universal Service Recycling, Inc.

By: _____

Its: _____

Dated: November ____, 2024

Universal Service Recycling Merced, Inc.

By: _____

Its: _____

Dated: November ____, 2024

Universal Service Recycling Nevada, LLC

By: _____

Its: _____

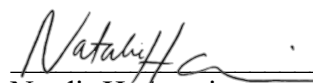
Dated: November ____, 2024

William Mendonca

AGREED AS TO FORM

Dated: November 25, 2024

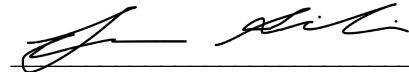
D.LAW, INC.



Natalie Haritonian

Dated: November 19, 2024

LAW OFFICES OF CORREN & CORREN



Spencer Sinclair

Dated: November ____, 2024

SIDLEY AUSTIN, LLP

Aimee Mackay

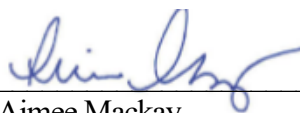
Dated: November ____, 2024

LAW OFFICES OF CORREN & CORREN

Spencer Sinclair

Dated: November 22, 2024

SIDLEY AUSTIN, LLP



Aimee Mackay

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

Jorge Leyva v. Universal Service Recycling, Inc., et al.

Case No. STK-CV-UOE-2023-7875, San Joaquin County Superior Court

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., Universal Service Recycling Nevada, LLC and William Mendonca (collectively "Defendants") for alleged wage and hour violations. The Action was filed by former employees Jorge Leyva and Lucky Sysavath (collectively "Plaintiffs") and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for Defendants during the Class Period (July 26, 2019 to January 7, 2025 or through preliminary approval, whichever is earlier); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Defendants during the PAGA Period (December 15, 2020 to January 7, 2025 or through preliminary approval, whichever is sooner) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) 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 Defendants' 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 Defendants' records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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 not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. 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 Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants 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 Defendants 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 portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees 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	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed 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 Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or

Written Objections Must be Submitted by _____	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 you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' 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 IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, failing to provide meal periods, rest breaks and accurate itemized wage statements, and failing to comply with California Wage Order obligations with respect to excessive heat, humidity, or cold in work processes. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Emil Davtyan, David Yeremian, and Natalie Haritounian of D.Law, Inc. and Adam Corren and Spencer Sinclair of Law Offices of Corren & Corren ("Class Counsel.")

Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (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 Action and enforcing the Agreement, Plaintiffs and Defendants 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, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants Will Pay \$699,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if someone objects to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$233,000.00 (one-third of the Gross Settlement to Class Counsel for attorneys' fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$10,000.00 to each of the two Plaintiffs as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$6,500.00 to the Administrator for services administering the Settlement.

- d. Up to \$35,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest, etc. (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. 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 Defendants 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 is sent to the Controller’s Unclaimed Property Fund, 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. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Class

Settlement. Excluded Class Members (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 Defendants.

You cannot opt-out of the PAGA portion of the 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 Defendants based on the PAGA Period facts alleged in the Action.

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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Apex Class Action (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 over 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. Participating Class Members’ Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, but not limited to (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay reimbursable expenses; (i) failure to produce requested employment records;

(j) failure to comply with California Wage Order obligations with respect to excessive heat, humidity, or cold in work processes; (k) violation of Business & Professions Code § 17200, *et. seq.*; and (l) violation of Labor Code § 2698, *et. seq.* Except as set forth in Paragraph 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Action including, but not limited to (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay reimbursable expenses; (i) failure to produce requested employment records; (j) failure to comply with California Wage Order obligations with respect to excessive heat, humidity, or cold in work processes; (k) violation of Business & Professions Code § 17200, *et. seq.*; and (l) violation of Labor Code § 2698, *et. seq.*

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 \$8,750.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' 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 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 Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' 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 and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' 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 Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Jorge Leyva v. Universal Service Recycling*,

Inc., et al, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** 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 Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. 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 _____ or the Court's website _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** 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 Action *Jorge Leyva v. Universal Service Recycling, Inc., et al* and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. 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 11B of the San Joaquin Superior Court, located at 180 E. Weber Avenue, Stockton, CA 95202. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) 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 Defendants 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://cms.sjcourts.org/fullcourtweb/start.do>) and entering the Case Number for the Action, Case No. STK-CV-UOE-2023-7875. You can also make an appointment to personally review court documents in the Clerk's Office at the Stockton Courthouse by calling (209) 992-5555.

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

Class Counsel:

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Law Offices of Corren & Corren

Adam Corren

acorren@correnlaw.com

Spencer Sinclair

ssinclair@correnlaw.com

3425 Brookside Road, Suite B

Stockton, CA 95219

Telephone: (209) 478-2621

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 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

Natalia Bermudes

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
Sent: Wednesday, July 26, 2023 12:47 PM
To: Natalia Bermudes
Subject: Thank you for submission of your PAGA Case.

7/26/2023

LWDA Case No. LWDA-CM-970961-23

Law Firm : David Yeremian & Associates, Inc.

Plaintiff Name : Jorge Leyva and others similarly situated

Employer: Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., et Filing Fee : \$75.00 IFP
Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

**DAVID YEREMIAN
& ASSOCIATES INC**

2540 Foothill BLVD STE 201
La Crescenta CA 91214

818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM

July 26, 2023

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

William Mendonca, Agent for Service
Universal Service Recycling, Inc.
3200 S. El Dorado St.
Stockton, CA 95206
Certified Mail Tracking Number: 7021 2720 0001 0176 4033

William Mendonca, Agent for Service
Universal Service Recycling Merced, Inc.
3200 S. El Dorado St.
Stockton, CA 95206
Certified Mail Tracking Number: 7021 2720 0001 0176 4002

Universal Service Recycling Nevada, LLC
3200 S. El Dorado St.
Stockton, CA 95206
Certified Mail Tracking Number: 7021 2720 0001 0176 3999

**Re: Labor Code § 2698, et seq. Penalties – PAGA Notice Letter to the LWDA
Jorge Leyva v. Universal Service Recycling, Inc., et al.
Superior Court for the County of San Joaquin**

Gentlepersons:

This office represents Plaintiff Jorge Leyva (“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, 218.5, 226, 226.3, 226.7, 510, 512, 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, Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., Universal Service Recycling Nevada, LLC, 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 San Joaquin 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 commissions into the regular rate of pay used to calculate and pay for overtime pay, double time pay, sick pay, and meal and rest break premiums, unlawful rounding to their detriment, 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, failing to reimburse for necessary business expenses, and failing to reduce heat to a degree providing reasonable comfort 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, at the beginning of Aggrieved Employees' shift, they were required to unload a car prior to clocking in. Similarly, at the end of Aggrieved Employees' shift, they were required to unload the car after clocking out. Additionally, Aggrieved Employees had to wait in line for a time clock to become available thereby resulting in further off the clock work.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary, performance-based bonuses and/or commissions 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, performance based bonuses and/or commissions paid to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime, double time, sick pay, and meal and rest break premiums.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants would contact Plaintiff and inform him that the truck has arrived and needs to immediately be unloaded. During this time, Plaintiff was under Defendants' control because he had to immediately report to work. However, he was not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

Moreover, Defendants had a consistent policy and practice of unlawfully rounding hours worked to the detriment of Aggrieved Employees. Rather than paying Aggrieved Employees for all hours and minutes they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the nearest quarter-hour or half-hour (i.e. to the nearest 15-minute or 30- minute time increment). Generally, rounding was to the detriment of Aggrieved Employees, and Plaintiff contends this policy is not neutral and resulted, over time, in the systematic under-compensation of the Aggrieved Employees. Rather than reflecting the actual hours worked by Aggrieved Employees, the time entries were rounded and reduced to reflect the scheduled work time rather than the actual hours worked. These unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, unlawful rounding by Defendants, and the failure to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime, double time, sick pay, and meal and rest break premiums, 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 unlawful rounding, requirements to work off the clock, unlawful rounding by Defendants, the failure to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime, double time, sick

pay, and meal and rest break premiums, and the other wage violations they endured at Defendants' hands, 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. Additionally, Aggrieved Employees were required to keep their walkie talkies on at all times during work hours. Aggrieved Employees were required to remain under Defendants' control by monitoring their walkie talkies and responding to work demands. Therefore, to the extent Aggrieved Employees attempted to take a break, it was not duty-free.

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. To the extent Aggrieved Employees were able to take rest breaks, they were restricted from leaving the premises. 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. 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 fail to provide Defendants' full address. Thus, the wage statements do not comply with Labor Code § 226(a)(8). Additionally, the wage statements given to Aggrieved Employees failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay overtime compensation, double time pay, sick pay, and meal and rest break premiums. Thus, the wage statements do not provide accurate hourly rates for overtime and the statements do not comply with Labor Code § 226(a)(9). Moreover, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because Defendants had unlawfully rounded time entries to the detriment of the Aggrieved Employees and their actual hours worked were under-reported due to off the clock work. 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, required off the clock work, unlawfully rounded time entries to the detriment of Aggrieved Employees, and failed to incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for overtime, double time, sick pay, and meal and rest break premiums. 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.

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 cell phone expenses, mileage, and other costs such as his supervisor's lunch. Plaintiff was required to drive to the mechanic to pick up Defendants' car. Additionally, Plaintiff was required to use his cell phone to communicate with customers regarding tools. 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 Plaintiff and 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.

Additionally, pursuant to the Occupational Safety and Health Administration, employers must keep the thermostat between 68 and 78 degrees Fahrenheit. Paragraph 15 of the California Wage Orders state: "the temperature maintained in each work area shall provide reasonable comfort consistent with industry-wide standards for the nature of the process and the work performed. If

excessive heat or humidity is created by the work process, the employer shall take all feasible means to reduce such excessive heat or humidity to a degree providing reasonable comfort.” Here, the facility did not have air conditioning and/or proper air ventilation and the temperature was above what is legally allowed.

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.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with off the clock work, including all the time required to remain on duty and under Defendants' control. Specifically, at the beginning of Aggrieved Employees' shift, they were required to unload a car prior to clocking in. Similarly, at the end of Aggrieved Employees' shift, they were required to unload the car after clocking out. Additionally, Aggrieved Employees had to wait in line for a time clock to become available thereby resulting in further off the clock work.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to incorporate non-discretionary, performance-based bonuses and/or commissions 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, performance based bonuses and/or commissions paid to the Aggrieved Employees into the regular rate of pay Defendants used to calculate and pay for overtime, double time, sick pay, and meal and rest break premiums.

Defendants, and each of them, have also intentionally and improperly rounded, 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, or of miscalculating them by not including all forms of remuneration in the regular rate of compensation. Defendants, and each of them, have intentionally and improperly rounded, 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.

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(e) 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 deductions from hours worked perpetrated by Defendants’ management, 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 unlawful rounding and 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 cell phone expenses, mileage,

and other costs such as his supervisor's lunch. Plaintiff was required to drive to the mechanic to pick up Defendants' car. Additionally, Plaintiff was required to use his cell phone to communicate with customers regarding tools. 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 Plaintiff and Aggrieved Employees for all such necessary expenditures.

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 Reduce Excessive Heat to a Degree Providing Reasonable Comfort

The IWC Wage Order requires employers to maintain the temperature in each work area providing reasonable comfort consistent with industry wide standards for the nature of the process and the work performed. The IWC Wage Order states: "the temperature maintained in each work area shall provide reasonable comfort consistent with industry-wide standards for the nature of the process and the work performed. If excessive heat or humidity is created by the work process, the employer shall take all feasible means to reduce such excessive heat or humidity to a degree providing reasonable comfort."

As addressed in detail above, Defendants failed to reduce excessive heat to a degree providing employees with reasonable comfort. The temperature in the warehouse was above what is legally allowed constituting violations of Labor Code § 1198 and § 2699(f)(2). Accordingly, Defendants are liable for penalties 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).

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, 226.3, 226.7, 510, 512, 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) Failure to Reduce Excessive Heat to a Degree Providing Reasonable Comfort: For Defendants' failure to reduce excessive heat to a degree providing reasonable comfort as required under paragraph 15 of the applicable IWC Wage Orders, constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking civil 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).

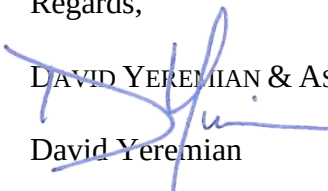
(g) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 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 Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., Universal Service Recycling Nevada, LLC 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,


DAVID YEREMIAN & ASSOCIATES, INC.

David Yeremian

Cc: Universal Service Recycling, Inc., Universal Service Recycling Merced, Inc., and Universal Service Recycling Nevada, LLC
by Certified Mail

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Attorneys for Plaintiff JORGE LEYVA,
on behalf of herself and others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

JORGE LEYVA, an individual on behalf of
himself and all others similarly situated,

Plaintiff,

vs.

UNIVERSAL SERVICE RECYCLING,
INC., a California corporation; UNIVERSAL
SERVICE RECYCLING MERCED, INC., a
California corporation; UNIVERSAL
SERVICE RECYCLING NEVADA, LLC, 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;
10. Failure to Produce Requested Employment Records Under Labor Code §§ 226(b), 1198.5
11. Violation of Business & Professions Code § 17200 *et seq.*

DEMAND FOR JURY TRIAL

INTRODUCTION

1. Plaintiff JORGE LEYVA (“Plaintiff”) brings this action on behalf of himself 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 UNIVERSAL SERVICE RECYCLING, INC., a California Corporation, UNIVERSAL SERVICE RECYCLING MERCED, INC., a California Corporation, UNIVERSAL SERVICE RECYCLING NEVADA, LLC, 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 JORGE LEYVA 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 UNIVERSAL SERVICE RECYCLING, INC. is a California corporation and is registered with the California Secretary of State. Defendant UNIVERSAL SERVICE RECYCLING, INC. 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.

6. Defendant UNIVERSAL SERVICE RECYCLING MERCED, INC. is a California

1 corporation and is registered with the California Secretary of State. Defendant UNIVERSAL
2 SERVICE RECYCLING MERCED, INC. has been the employer listed on the employment
3 records issued to Plaintiff during the relevant time period that Plaintiff was employed with
4 Defendants.

5 7. Defendant UNIVERSAL SERVICE RECYCLING NEVADA, LLC is a business
6 entity of unknown form and has been the employer listed on the employment records issued to
7 Plaintiff during the relevant time period that Plaintiff was employed with Defendants.

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

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

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

28 11. Whenever and wherever reference is made to individuals who are not named as a

1 in this Complaint but were agents, servants, employees and/or supervisors of Defendants, such
2 individuals at all relevant times acted on behalf of Defendants within the scope of their
3 employment.

4 JURISDICTION AND VENUE

5 This Court has jurisdiction over this Action pursuant to California Code of Civil Procedure §
6 410.10 and California Business & Professions Code § 17203. This Action is brought as a Class
7 Action on behalf of similarly situated Class Members of Defendants pursuant to California Code
8 of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial district pursuant to
9 California Code of Civil Procedure § 395 *et seq.* Upon information and belief, the obligations and
10 liabilities giving rise to this lawsuit occurred in part in San Joaquin County. Defendants maintain
11 and operate facilities in San Joaquin County and employs Plaintiff and other Class Members in
12 San Joaquin County, while doing business throughout California.

13 FACTUAL BACKGROUND

14 Class Members consistently worked at Defendants behest without being paid all wages due. Class
15 Members were either not paid by Defendants for all hours worked or were not paid at the
16 appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to
17 pay Class Members all wages due and owing, including by requiring off the clock work, failing to
18 incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to
19 calculate and pay for overtime pay, double pay, sick pay, and meal and rest break premiums,
20 unlawfully rounding to their detriment, failing to provide meal and rest breaks, failing to furnish
21 accurate wage statements, failing to timely pay wages including final wages, failing to maintain
22 accurate records, failing to reimburse necessary business expenses, and failing to reduce excessive
23 heat to a degree providing reasonable comfort all in violation of various provisions of the
24 California Labor Code and applicable Wage Orders.

25 During the course of Class Members' employment with Defendants, they were not paid all wages
26 **they were owed, including for all work performed resulting in off the clock work. Class**
27 **Members were required to perform pre-shift and post-shift off the clock work which they**
28 **were not compensated for despite being subject to Defendants' control. Specifically, at the**

1 beginning of Class Members' shift, they were required to unload a car prior to clocking in.
2 Similarly, at the end of Class Members' shift, they were required to unload the car after clocking
3 out. Additionally, Class Members had to wait in line for a time clock to become available thereby
4 resulting in further off the clock work.

5 15. Defendants also failed to pay Class Members all wages due and owing because
6 Defendants failed to incorporate non-discretionary, performance-based bonuses and/or
7 commissions into the regular rate of pay. Contrary to the requirements of the Labor Code and IWC
8 Wage Orders under California law, Defendants did not incorporate these non-discretionary
9 bonuses and/or commissions paid to the Class Members into the regular rate of pay Defendants
10 used to calculate and pay for overtime pay, double time pay, sick pay, and meal and rest break
11 premiums.

12 16. Defendants also failed to pay Class Members all wages due and owing because
13 Defendants failed to pay for on-call time. Specifically, Defendants would contact Plaintiff and
14 inform him that the truck has arrived and needs to immediately be unloaded. Plaintiff had to
15 immediately report to work and was not paid on-call pay. Upon information and belief, Class
16 Members were also required to be on-call and were not compensated for on-call pay.

17 17. Moreover, Defendants had a consistent policy and practice of unlawfully rounding
18 hours worked to the detriment of the Class Members. Rather than paying Class Members for all
19 hours and minutes they actually worked, Defendants followed a uniform policy and practice of
20 rounding all time entries to the nearest quarter-hour or half-hour (i.e. to the nearest 15-minute or
21 30-minute time increment), and generally did so to the detriment of the Class Members, and
22 Plaintiff contend this policy is not neutral and resulted, over time, to the detriment of the Class
23 Members by systematically under-compensating them. Rather than reflecting the actual hours
24 worked by Class Members, the time entries were rounded and reduced to reflect the scheduled
25 work time rather than the actual hours worked. These unlawfully rounded time entries were
26 inputted into Defendants' payroll system from which wage statements and payroll checks were
27 created.

28 18. By implementing policies, programs, practices, procedures and protocols which

1 resulted in off the clock work, unlawful rounding by Defendants, and the failure to incorporate
2 non-discretionary bonuses and/or commissions into the regular rate of pay used to calculate and
3 pay overtime, double time, sick pay, and meal and rest break premiums, Defendants' willful
4 actions resulted in the systematic underpayment of wages to Class Members, including
5 underpayment of overtime pay to Class Members over the relevant time period. For example, the
6 above described off the clock work addressed above caused Plaintiff to begin receiving overtime
7 pay later than they should have.

8 19. As a result of the above described requirements to work off the clock, unlawful
9 rounding by Defendants, the failure to incorporate non-discretionary bonuses and/or commissions
10 into the regular rate of pay used to calculate and pay overtime, double time, sick pay, and meal
11 and rest break premiums, and the other wage violations they endured at Defendants' hands, Class
12 Members were not properly paid all wages earned and all wages owed to them by Defendants,
13 including when working more than eight (8) hours in any given day and/or more than forty (40)
14 hours in any given week.

15 20. As a result of Defendants' unlawful policies and practices, Class Members incurred
16 overtime hours worked for which they were not adequately and completely compensated, in
17 addition to the hours they were required to work off the clock. To the extent applicable,
18 Defendants also failed to pay Class Members at an overtime rate of 1.5 times the regular rate for
19 the first eight hours of the seventh consecutive work day in a week and overtime payments at the
20 rate of 2 times the regular rate for hours worked over eight (8) on the seventh consecutive work
21 day, as required under the Labor Code and applicable IWC Wage Orders.

22 21. Therefore, from at least four (4) years prior to the filing of this lawsuit and
23 continuing to the present, Defendants had a consistent policy or practice of failing to pay Class
24 Members for all hours worked, and failing to pay minimum wages for all time worked, as required
25 by California law. Defendants thus failed to pay Class Members at least minimum wages for all
26 the time they worked for Defendants in violation of the Labor Code and applicable IWC Wage
27 Orders as the actual times when Class Members were under the control and direction of
28 Defendants was under reported in the hours reflected on the timekeeping records. Furthermore,

1 Defendants' willful actions resulted in the systematic underpayment of wages to Class Members,
2 including underpayment of overtime pay to Class Members over a period of time.

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

11 23. Additionally, Defendants failed to provide all the legally required unpaid, off-duty
12 meal periods and all the legally required paid, off-duty rest periods to Class Members, as required
13 by the applicable Wage Order and Labor Code. Class Members were required to perform work as
14 ordered by Defendants for more than five (5) hours during a shift but were often required to do so
15 without receiving a lawful and timely meal break. In addition to untimely meal periods,
16 Defendants also required Class Members to respond to work demands. Defendants placed their
17 needs over Class Members lawful meal and rest breaks and this resulted in Class Members often
18 having to work through their scheduled meal and/or rest breaks, or otherwise taking shortened
19 ones, because the demands of the job would not avail them the opportunity to take a lawfully
20 uninterrupted and off duty meal and/or rest break. Additionally, Class Members were required to
21 keep their walkie talkies on at all times during work hours. Class Members were required to
22 remain under Defendants' control by monitoring their walkie talkies and responding to work
23 demands. Therefore, to the extent Class Members attempted to take a break, it was not duty-free.

24 24. On the occasions when Class Members worked over 10 hours in a shift, Defendants
25 also failed to provide them with a second, uninterrupted, timely and duty-free meal period. As a
26 result, Defendants' failure to provide Class Members with all legally required off-duty, unpaid
27 meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by
28 Defendants' business records, or lack thereof. Defendants also failed to pay Class Members

1 “premium pay,” i.e. one hour of wages at each Class Member’s effective hourly rate of pay, for
2 each meal period or rest break that Defendants failed to provide or deficiently provided.

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

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

- 11 (a) Class Members were not provided full thirty-minute duty free meal periods
12 for work days in excess of five (5) hours and were not compensated one (1)
13 hour’s wages in lieu thereof, all in violation of, among others, Labor Code
14 §§ 226.7, 512, and the applicable Industrial Welfare Commission Wage
15 Order(s);
- 16 (b) Class Members were not provided second full thirty-minute duty free meal
17 periods for work days in excess of ten (10) hours;
- 18 (c) Class Members were required to work through at least part of their daily
19 meal period(s);
- 20 (d) Meal periods were provided after five (5) hours of continuous work during
21 a shift; and
- 22 (e) Class Members were restricted in their ability to take a full thirty-minute
23 meal period.

24 27. Class Members were also not authorized and permitted to take lawful rest periods,
25 were systematically required by Defendants to work through or during breaks and were not
26 provided with one (1) hour’s wages in lieu thereof. Class Members were restricted in their ability
27 to take their full ten (10) minutes net rest time or were otherwise not provided with duty-free rest
28 periods. Therefore, from at least four years prior to the filing of this lawsuit and continuing to the

1 present, Defendants have consistently failed to provide Class Members with paid rest breaks of not
2 less than ten minutes for every work period of four or more consecutive hours; or major fraction
3 thereof, nor did Defendant pay Class Members premium pay for each day on which requisite rest
4 breaks were not provided or were deficiently provided.

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

- 6 (a) Class Members were required to work without being provided a minimum
7 ten (10) minute rest period for every four (4) hours or major fraction
8 thereof worked and were not compensated one (1) hour of pay at their
9 regular rate of compensation for each workday that a rest period was not
10 provided;
- 11 (b) Class Members were not authorized and permitted to take timely rest
12 periods for every four hours worked, or major fraction thereof; and
- 13 (c) Class Members were required to remain on-duty during rest periods or
14 otherwise had their rest periods interrupted by work demands.

15 29. Defendants also consistently failed to issue accurate itemized wage statements as
16 required by Labor Code § 226(a). Specifically, the wage statements given to Class Members fail to
17 provide Defendants' full address. Thus, the wage statements do not comply with Labor Code §
18 226(a)(8). Additionally, the wage statements given to Class Members failed to incorporate non-
19 discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay
20 overtime compensation, double time pay, sick pay, and meal and rest break premiums. Thus, the
21 wage statements do not provide accurate hourly rates for overtime and the statements do not
22 comply with Labor Code § 226(a)(9). Moreover, the wage statements given to Class Members
23 failed to accurately account for unpaid wages and overtime because Defendants had unlawfully
24 rounded time entries to the detriment of the Class Members and their actual hours worked were
25 under-reported due to off the clock work. Additionally, the wage statements given to Class
26 Members failed to accurately account for premium pay for deficiently provided meal periods and
27 rest breaks.

28 30. From at least four (4) years prior to filing this lawsuit and continuing to the present,

1 Defendants have thus also had a consistent policy of failing to pay all wages owed to Class
2 Members at the time of their termination of within seventy-two (72) hours of their resignation, as
3 required by California wage-and-hour laws. Specifically, Class Members were not paid all regular
4 and overtime wages because Defendants failed to pay for all hours worked, required off the clock
5 work, unlawfully rounded time entries to the detriment of Class Members, and failed to
6 incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to
7 calculate and pay for overtime, double time, sick pay, and meal and rest break premiums.
8 Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest
9 periods, as further detailed in this Complaint. Defendants' failure to pay said wages within the
10 required time was willful within the meaning of Labor Code § 203.

11 31. Additionally, from at least four (4) years prior to the filing of this lawsuit and
12 continuing to the present, Defendants have regularly required Plaintiff to incur business expenses
13 in the course of performing his required job duties for Defendants including for cell phone
14 expenses, mileage, and other costs such as his supervisor's lunch. Plaintiff was required to drive to
15 the mechanic to pick up Defendants' car. Additionally, Plaintiff was required to use his cell phone
16 to communicate with customers regarding tools. Upon information and belief, Class Members
17 incurred similar costs. These expenses incurred by Plaintiff and Class Members were necessary
18 and required of them in performing their assigned job duties, but Defendants failed to reimburse
19 Plaintiff and Class Members for all such necessary expenditures, thus entitling them to
20 reimbursement according to proof as required under Labor Code § 2802 and the applicable
21 provisions of the IWC Wage Orders.

22 32. Moreover, pursuant to the Occupational Safety and Health Administration,
23 employers must keep the thermostat between 68 and 78 degrees Fahrenheit. Paragraph 15 of the
24 California Wage Orders state: "the temperature maintained in each work area shall provide
25 reasonable comfort consistent with industry-wide standards for the nature of the process and the
26 work performed. If excessive heat or humidity is created by the work process, the employer shall
27 take all feasible means to reduce such excessive heat or humidity to a degree providing reasonable
28 comfort." Here, the facility did not have air condition and/or proper air ventilation and the

1 temperature was above what is legally allowed.

2 33. In light of the foregoing, Plaintiff and Class Members bring this action pursuant to,
3 *inter alia*, Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174,
4 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2802 and California Code of
5 Regulations, Title 8, section 11000 *et seq.*

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

10 **CLASS ALLEGATIONS**

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

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

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

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

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

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

27 f. Subclass 6. Termination Pay Subclass. All Class Members who, within the
28 applicable limitations period, either voluntarily or involuntarily separated from their employment

1 and were subject to Defendants' policy and/or practice of failing to timely pay wages upon
2 termination.

3 g. Subclass 7: Failure to Timely Pay Wages Twice Monthly Subclass. All Class
4 Members who were subject to Defendants' policy and practice of not timely paying all wages
5 earned when they were due and payable at least twice monthly.

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

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

13 j. Subclass 10. Failure To Produce Requested Employment Records Subclass. All
14 Class members who, within the applicable limitations period, were denied the right to inspect and
15 receive all of their payroll records, timecards, and personnel records.

16 k. Subclass 11. UCL Subclass. All Class Members who are owed restitution as a
17 result of Defendants' business acts and practices, to the extent such acts and practices are found to
18 be unlawful, deceptive, and/or unfair.

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

23 37. Defendants, as a matter of company policy, practice and procedure, and in violation
24 of the applicable Labor Code, Industrial Welfare Commission ("IWC") Wage Order requirements,
25 and the applicable provisions of California law, intentionally, knowingly, and willfully, engaged
26 in a practice whereby Defendants failed to correctly calculate compensation for the time worked
27 by Class Members, even though Defendants enjoyed the benefit of this work, required Class
28 Members to perform this work and permitted or suffered to permit this work. Defendants have

1 uniformly denied these Class Members wages to which these employees are entitled and failed to
2 provide meal periods or authorize and permit rest periods, in order to unfairly cheat the
3 competition and unlawfully profit.

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

7 **A. Numerosity**

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

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

16 **B. Commonality**

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

- 20 a. Whether Defendants failed to pay Class Members minimum wages;
- 21 b. Whether Defendants failed to pay Class Members wages for all hours worked;
- 22 c. Whether Defendants failed to pay Class Members overtime as required under Labor
23 Code § 510;
- 24 d. Whether Defendants failed to incorporate non-discretionary bonuses and/or
25 commissions into the regular rate of pay used to calculate and pay overtime, double
26 time, sick pay, and meal and rest break premiums;
- 27 e. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable
28 IWC Wage Orders, by failing to provide Class Members with requisite meal

periods or premium pay in lieu thereof;

- f. 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;
- g. Whether Defendants violated Labor Code § 226(a) by providing Class Members with inaccurate wage statements;
- h. 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;
- i. Whether Defendants' conduct was willful;
- j. 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;
- k. 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;
- l. Whether Defendants violated Labor Code § 204 by failing to timely pay wages;
- m. Whether Defendants violated Labor Code § 2802 by failing to reimburse all necessary business expenses Defendants required them to incur in performing their job duties;
- n. Whether Defendants violated Labor Code §§ 226 and 1198.5 by failing to produce employment records and pay records;
- o. Whether Defendants failed to reduce excessive heat to a degree providing reasonable comfort.
- p. Whether Defendants violated Business and Professions Code § 17200 *et seq.*; and
- q. Whether Class Members are entitled to equitable relief pursuant to Business and Professions Code § 17200 *et seq.*

C. Typicality

- 42. 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

43. 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

44. 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.

45. 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.

46. 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.

1 Plaintiff is unaware of any difficulties in managing this case that should preclude class treatment.
2 Plaintiff contemplates the eventual issuance of notice to the proposed Class Members that would
3 set forth the subject and nature of the instant action. The Defendants' own business records can be
4 utilized for assistance in the preparation and issuance of the contemplated notices. To the extent
5 that any further notice is required additional media and/or mailings can be used.

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

14 48. Class Members did not discover the fact that they were entitled to all pay under the
15 Labor Code until shortly before the filing of this lawsuit nor was there ever any discussion about
16 Plaintiff's and the Class' waiver of their Constitutional rights of trial by jury, right to collectively
17 organize and oppose unlawful pay practices under California law as well as obtain injunctive relief
18 preventing such practices from continuing. As a result, the applicable statutes of limitation were
19 tolled until such time as Plaintiff and the Class Members discovered their claims.

20 **FIRST CAUSE OF ACTION**

21 **FAILURE TO PAY MINIMUM WAGES**

22 **(Against All Defendants)**

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

25 50. Defendants failed to pay Class Members minimum wages for all hours worked.
26 Defendants had a consistent policy of misstating Class Members' time records and failing to pay
27 Class Members for all hours worked. Class Members would work hours and not receive wages,
28 including as alleged above in connection with off the clock work and unlawful rounding of hours.

1 Additionally, Defendants failed to incorporate non-discretionary bonuses and/or commissions into
2 the regular rate of pay used to calculate and pay overtime. Defendants, and each of them, have
3 intentionally and improperly changed, adjusted and/or modified the hours of Class Members,
4 which resulted in off the clock work and underpayment of all wages owed to Class Members over
5 a period of time, while benefiting Defendants. During the relevant time period, Defendants thus
6 regularly failed to pay minimum wages to Class Members, to their detriment. Additionally,
7 Defendants had a consistent policy of failing to pay Class Members for hours worked during
8 alleged meal and rest periods for which Class Members were consistently denied, as also
9 addressed herein. Defendants' uniform pattern of unlawful wage and hour practices manifested,
10 without limitation, applicable to the Class as a whole, as a result of implementing a uniform policy
11 and practice that denied accurate compensation to Class Members as to minimum wage pay.

12 51. In California, employees must be paid at least the then applicable state minimum
13 wage for all hours worked. (IWC Wage Order MW-2014). Additionally, pursuant to California
14 Labor Code § 204, other applicable laws and regulations, and public policy, an employer must
15 timely pay its employees for all hours worked. Defendants failed to do so.

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

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

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

27 55. As described in California Labor Code §§ 1185 and 1194.2, any action for wages
28 incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also,

1 California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage
2 Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for
3 all hours worked. All hours must be paid at the statutory or agreed rate and no part of this rate may
4 be used as a credit against a minimum wage obligation.

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

13 57. California Labor Code § 1194.2 also provides for the following remedies: “In any
14 action under Section 1194 . . . to recover wages because of the payment of a wage less than the
15 minimum wages fixed by an order of the commission, an employee shall be entitled to recover
16 liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.”

17 58. In addition to restitution for all unpaid wages, pursuant to California Labor Code §
18 1197.1, Class Members are entitled to recover a penalty of \$100.00 for the initial failure to timely
19 pay each employee minimum wages, and \$250.00 for each subsequent failure to pay each
20 employee minimum wages.

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

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

26 61. Wherefore, Class Members are entitled to recover the unpaid minimum wages
27 (including double minimum wages), liquidated damages in an amount equal to the minimum
28 wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant

1 to California Labor Code § 1194(a). Plaintiff and the other members of the Class further request
2 recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the
3 assessment of any statutory penalties against Defendants, in a sum as provided by the California
4 Labor Code, including § 558, and/or other applicable statutes.

5 **SECOND CAUSE OF ACTION**

6 **FAILURE TO PAY WAGES AND OVERTIME UNDER LABOR CODE § 510**

7 **(Against All Defendants)**

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

10 63. California Labor Code § 1194 provides that “any employee receiving less than the
11 legal minimum wage or the legal overtime compensation applicable to the employee is entitled to
12 recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime
13 compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” The action
14 may be maintained directly against the employer in an employee’s name without first filing a
15 claim with the Division of Labor Standards and Enforcement.

16 64. By their conduct, as set forth herein, Defendants violated California Labor Code §
17 510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Class
18 Members: (a) time and one-half their regular hourly rates for hours worked in excess of eight (8)
19 hours in a workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours
20 worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for
21 hours worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of
22 eight (8) hours on any seventh day of work in a workweek.

23 65. Defendants had a consistent policy of not paying Class Members wages for all
24 hours worked, including by requiring off the clock work and by unlawfully rounding down actual
25 hours worked as addressed above. Additionally, Defendants failed to incorporate non-
26 discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay
27 overtime. Defendants, and each of them, have intentionally and improperly rounded, changed,
28 adjusted and/or modified certain employees’ hours, including Plaintiff’s, in order to avoid paying

1 Class Members all earned and owed straight time and overtime wages and other benefits, in
2 violation of the California Labor Code, the California Code of Regulations and the IWC Wage
3 Orders and guidelines set forth by the Division of Labor Standards and Enforcement. Defendants
4 have also violated these provisions by requiring Class Members to work through portions of their
5 meal period. Therefore, Class Members were not properly compensated, nor were they paid
6 overtime rates for hours worked in excess of eight hours in a given day, and/or forty hours in a
7 given week. Based on information and belief, Defendants did not make available to Class
8 Members a reasonable protocol for correcting time records when Class Members worked overtime
9 hours or to fix incorrect time entries or those that Defendants unlawfully rounded to the Class
10 Members' detriment.

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

14 67. Additionally, Labor Code § 558(a) provides "any employer or other person acting
15 on behalf of an employer who violates, or causes to be violated, a section of this chapter or any
16 provisions regulating hours and days of work in any order of the IWC shall be subject to a civil
17 penalty as follows: (1) For any violation, fifty dollars (\$50) for each underpaid employee for each
18 pay period for which the employee was underpaid in addition to an amount sufficient to recover
19 underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each
20 underpaid employee for each pay period for which the employee was underpaid in addition to an
21 amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall
22 be paid to the affected employee." Labor Code § 558(c) states, "the civil penalties provided for in
23 this section are in addition to any other civil or criminal penalty provided by law." Defendants
24 have violated provisions of the Labor Code regulating hours and days of work as well as the IWC
25 Wage Orders. Accordingly, Plaintiff and the Class Members seek the remedies set forth in Labor
26 Code § 558.

27 68. Defendants' failure to pay compensation in a timely fashion also constituted a
28 violation of California Labor Code § 204, which requires that all wages shall be paid

1 semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct
2 violation of that provision of the California Labor Code, Defendants have failed to pay all wages
3 and overtime compensation earned by Class Members. Each such failure to make a timely
4 payment of compensation to Class Members constitutes a separate violation of California Labor
5 Code § 204.

6 69. Class Members have been damaged by these violations of California Labor Code
7 §§ 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

8 70. Consequently, pursuant to the California Labor Code, including Labor Code §§
9 204, 510, 558, and 1194, and the applicable IWC Wage Order, paragraph 3(A) and 4(B),
10 Defendants are liable to Class Members for the full amount of all their unpaid wages and overtime
11 compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the
12 assessment of any statutory penalties against Defendants, and each of them, and any additional
13 sums as provided by the Labor Code and/or other statutes.

14 **THIRD CAUSE OF ACTION**

15 **MEAL-PERIOD LIABILITY UNDER LABOR CODE § 226.7**

16 **(Against All Defendants)**

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

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

24 73. Defendants failed to provide Class Members with meal periods as required under
25 the Labor Code. Defendants placed their needs over Class Members lawful meal breaks and this
26 resulted in Class Members consistently having to work through their scheduled meal breaks
27 because the demands of the job would not avail them the opportunity to take a lawfully
28 uninterrupted and off-duty meal break. Furthermore, upon information and belief, on the occasions

1 when Class Members worked more than ten (10) hours in a given shift, they did so without
2 receiving a second uninterrupted thirty (30) minute meal period as required by law.

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

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

14 76. Therefore, pursuant to Labor Code § 226.7 and the applicable IWC Wage Order,
15 paragraph 11, Class Members are entitled to damages in an amount equal to one (1) hour of wages
16 at their effective hourly rates of pay for each meal period not provided or deficiently provided, a
17 sum to be proven at trial, as well as the assessment of any statutory penalties against the
18 Defendants, and each of them, in a sum as provided by the Labor Code and other statutes.

19 **FOURTH CAUSE OF ACTION**

20 **REST-BREAK LIABILITY UNDER LABOR CODE § 226.7**

21 **(Against All Defendants)**

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

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

27 79. Class Members consistently worked consecutive four (4) hour shifts and were
28 generally scheduled for shifts of greater than 3.5 hours total, thus requiring Defendants to

1 authorize and permit them to take rest periods. Pursuant to the Labor Code and the applicable IWC
2 Wage Order, Class Members were entitled to paid rest breaks of not less than ten (10) minutes for
3 each consecutive four (4) hour shift, and Defendants failed to provide Class Members with timely
4 rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift. Defendants
5 placed their needs over Class Members lawful rest breaks and this resulted in Class Members
6 consistently having to work through their scheduled rest breaks because the demands of the job
7 would not avail them the opportunity to take a lawfully uninterrupted and off-duty rest break.
8 Thus, Class Members were consistently denied of their rest breaks.

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

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

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

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

25 **FIFTH CAUSE OF ACTION**

26 **VIOLATION OF LABOR CODE § 226(a)**

27 **(Against All Defendants)**

28 84. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in

1 full herein.

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

9 86. Defendants failed to provide Class Members with accurate itemized wage
10 statements in writing, as required by the Labor Code. Specifically, the wage statements given to
11 Class Members fail to provide Defendants' full address. Thus, the wage statements do not comply
12 with Labor Code § 226(a)(8). Additionally, the wage statements given to Class Members failed to
13 incorporate non-discretionary bonuses and/or commissions into the regular rate of pay used to
14 calculate and pay overtime compensation, double time pay, sick pay, and meal and rest break
15 premiums. Thus, the wage statements do not provide accurate hourly rates for overtime and the
16 statements do not comply with Labor Code § 226(a)(9). Moreover, the wage statements given to
17 Class Members failed to accurately account for unpaid wages and overtime because Defendants
18 had unlawfully rounded time entries to the detriment of the Class Members and their actual hours
19 worked were under-reported due to off the clock work. Additionally, the wage statements given to
20 Class Members failed to accurately account for premium pay for deficiently provided meal periods
21 and rest breaks.

22 87. Throughout the liability period, Defendants intentionally failed to furnish to Class
23 Members, upon each payment of wages, itemized statements accurately showing: (1) gross wages
24 earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any
25 applicable piece rate paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the
26 inclusive dates of the period for which the employee is paid, (7) the name of the employee and
27 only the last four digits of his or her social security number or an employee identification number
28 other than a social security number, (8) the name and address of the legal entity that is the

1 employer and (9) all applicable hourly rates in effect during the pay period and the corresponding
2 number of hours worked at each hourly rate by the employee pursuant to Labor Code § 226,
3 amongst other statutory requirements. Defendants knowingly and intentionally failed to provide
4 Class Members with such timely and accurate wage and hour statements.

5 88. Class Members suffered injury as a result of Defendants' knowing and intentional
6 failure to provide them with the accurate wage and hour statements as required by law and are
7 presumed to have suffered injury and be entitled to penalties under Labor Code § 226(e), as the
8 Defendants have failed to provide wage statements with accurate and complete information as
9 required by any one or more of items Labor Code § 226 (a)(1) to (9), inclusive, and Class
10 Members cannot promptly and easily determine from the wage statement alone one or more of the
11 following: (i) The amount of the gross wages or net wages paid to the employee during the pay
12 period or any of the other information required to be provided on the itemized wage statement
13 pursuant to items (2) to (4), inclusive, (6), and (9) of subdivision (a), (ii) Which deductions the
14 employer made from gross wages to determine the net wages paid to the employee during the pay
15 period, (iii) The name and address of the employer and, (iv) The name of the employee and only
16 the last four digits of his or her social security number or an employee identification number other
17 than a social security number. For purposes of Labor Code § 226(e) "promptly and easily
18 determine" means a reasonable person [i.e. an objective standard] would be able to readily
19 ascertain the information without reference to other documents or information.

20 89. Therefore, as a direct and proximate cause of Defendants' violation of Labor Code
21 § 226(a), Class Members suffered injuries, including among other things confusion over whether
22 they received all wages owed them, the difficulty and expense involved in reconstructing pay
23 records, and forcing them to make mathematical computations to analyze whether the wages paid
24 in fact compensated them correctly for all hours worked.

25 90. Pursuant to Labor Code §§ 226(a) and 226(e) and 1174, and the applicable IWC
26 Wage Order, paragraph 7(B), Class Members are entitled to recover the greater of all actual
27 damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one
28 hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate

1 penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and
2 reasonable attorneys' fees.

3 **SIXTH CAUSE OF ACTION**
4 **VIOLATION OF LABOR CODE § 203**
5 **(Against All Defendants)**

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

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

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

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

14 95. Defendants failed to pay Class Members without abatement, all wages as defined
15 by applicable California law. Specifically, Class Members were not paid all regular and overtime
16 wages because Defendants failed to pay for all hours worked, required off the clock work,
17 unlawfully rounded time entries to the detriment of Class Members, and failed to incorporate non-
18 discretionary bonuses and/or commissions into the regular rate of pay used to calculate and pay for
19 overtime, double time, sick pay, and meal and rest break premiums. Additionally, Defendants
20 failed to pay premium wages owed for unprovided meal periods and rest periods, as further
21 detailed in this Complaint. Defendants' failure to pay said wages within the required time was
22 willful within the meaning of Labor Code § 203.

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

26 ///

27 ///

28 ///

SEVENTH CAUSE OF ACTION
VIOLATION OF LABOR CODE § 204
(Against All Defendants)

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

98. 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 all arose from either Defendants’ failure to pay for all hours worked or failure to pay all earned commission wages.

99. 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.

100. 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

1 applicable IWC Wage Orders, employers are required “to pay each employee, on the established
2 payday for the period involved, not less than the applicable minimum wage for all hours worked in
3 the payroll period, ...” Under Labor Code § 1198, “[t]he employment of any employee for longer
4 hours than those fixed by the order or under conditions of labor prohibited by the order is
5 unlawful.” Plaintiff and the Class Members may therefore pursue damages and penalties for
6 violations of Labor Code § 204 and paragraph 4(B) of the applicable IWC Wage Orders, including
7 penalties under paragraph 20 of the applicable IWC Wage Orders.

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

13 **EIGHTH CAUSE OF ACTION**

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

16 **(Against All Defendants)**

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

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

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

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

1 **NINTH CAUSE OF ACTION**

2 **REIMBURSEMENT OF NECESSARY EXPENDITURES UNDER LABOR CODE § 2802**

3 **(Against All Defendants)**

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

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

9 108. Defendants have regularly required Plaintiff to incur business expenses in the
10 course of performing his required job duties for Defendants including for cell phone expenses,
11 mileage, and other costs such as their supervisor's lunch. Plaintiff was required to drive to the
12 mechanic to pick up Defendants' car. Additionally, Plaintiff was required to use his cell phone to
13 communicate with customers regarding tools. Upon information and belief, Class Members
14 incurred similar costs. These expenses incurred by Plaintiff and Class Members were necessary
15 and required of them in performing their assigned job duties, but Defendants failed to reimburse
16 Plaintiff and Class Members for all such necessary expenditures. Class Members were not
17 reimbursed for those lawful and necessary work related expenses or losses incurred in direct
18 discharge of their job duties during employment with Defendants and at the direction of the
19 Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9.

20 109. As a result of the unlawful acts of Defendants, Class Members have been deprived
21 of reimbursement in amounts to be determined at trial; they are entitled to recovery of such
22 amounts, plus interest and penalties thereon, attorneys' fees, and costs.

23 **TENTH CAUSE OF ACTION**

24 **FAILURE TO PRODUCE REQUESTED RECORDS, LABOR CODE §§ 226 and 1198**

25 **(Against All Defendants)**

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

28 111. Pursuant to California Labor Code § 226, current and former employees have the

1 right to inspect or receive a copy of their records pertaining to their employment, upon reasonable
2 request to their employer. Under this statute, an employer that receives a request to inspect or
3 receive a copy of records pertaining to a current or former employee must comply with the request
4 as soon as practicable, but no later than twenty-one calendar days from the date of the request.

5 112. Pursuant to California Labor Code § 1198.5(a), every current and former employee,
6 or his or her representative, has the right to inspect and receive a copy of the personnel records
7 that the employer maintains relating to the employee's performance or to any grievance concerning
8 the employee. Under this statute, upon written request from a current or former employee or his or
9 her representative, an employer must make the contents of those personnel records available for
10 inspection or provide a copy of the personnel records to the current or former employee, or his or
11 her representative, not later than thirty calendar days from the date the employer receives the
12 written request, subject to some limited exceptions. Failure to comply with these requests allows
13 for a civil penalty seven hundred fifty dollars (\$750), pursuant to Labor Code §§ 1198.5(k) and
14 226(f).

15 113. Plaintiff sent written requests through his counsel to Defendants for their payroll
16 records, timecards, and personnel records. However, Plaintiff has not received all of his requested
17 records as of the date of this Complaint.

18 114. Defendants violated California Labor Code §§ 226 and 1198.5 by failing to timely
19 produce the required records requested by Plaintiff.

20 115. On information and belief, Defendants' failure to provide Plaintiff with all of his
21 requested employment records is not an isolated incident, but was instead consistent with
22 Defendants' policy and practice that applied to Plaintiff and Employees.

23 116. Pursuant to California Labor Code § 1198.5, Plaintiff and Employees are entitled to
24 a penalty of seven hundred fifty dollars (\$750) from Defendants and attorneys' fees and costs.

25 117. Pursuant to California Labor Code § 226(f), Plaintiff is entitled to a penalty of
26 seven hundred fifty dollars (\$750) from Defendants and attorneys' fees and cost, and the other
27 Class members similarly situated are similarly entitled.

28 ///

1 **ELEVENTH CAUSE OF ACTION**

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

3 **(Against All Defendants)**

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

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

11 120. Plaintiff is a “person” within the meaning of Business & Professions Code
12 § 17204, has suffered injury, and therefore has standing to bring this cause of action for injunctive
13 relief, restitution, and other appropriate equitable relief.

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

23 122. Wage-and-hour laws express fundamental public policies. Paying employees their
24 wages and overtime, providing them with meal periods and rest breaks, etc., are fundamental
25 public policies of California. Labor Code § 90.5(a) articulates the public policies of this State
26 vigorously to enforce minimum labor standards, to ensure that employees are not required or
27 permitted to work under substandard and unlawful conditions, and to protect law-abiding
28 employers and their employees from competitors who lower costs to themselves by failing to

1 comply with minimum labor standards.

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

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

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

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

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

23 128. Unless restrained by this Court Defendants will continue to engage in such
24 unlawful conduct as alleged above. Pursuant to the Business & Professions Code, this Court
25 should make such orders or judgments, including the appointment of a receiver, as may be
26 necessary to prevent the use by Defendants or their agents or employees of any unlawful or
27 deceptive practice prohibited by the Business & Professions Code, including but not limited to the
28 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 penalties pursuant to Labor Code §§ 226 and 1198.5, as may be proven;
12. For restitution for unfair competition pursuant to Business & Professions Code

1 § 17200 *et seq.*, including disgorgement or profits, as may be proven;

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

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

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

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

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

9 18. For an award of attorneys' fees; and

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

11
12 DATED: July 26, 2023

DAVID YEREMIAN ASSOCIATES, INC.

13
14 By: 
15 David Yeremian
16 Natalie Haritonian
17 Attorneys for Plaintiff JORGE LEYVA, and
18 all others similarly situated
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DEMAND FOR JURY TRIAL

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

DATED: July 26, 2023

DAVID YEREMIAN & ASSOCIATES, INC.

By: 
David Yeremian
Natalie Haritonian
Attorneys for Plaintiff JORGE LEYVA, and
all others similarly situated

EXHIBIT 3