D.LAW, INC.
David Keledjian (SBN 309135)
d.keledjian@d.law
David Arakelyan (SBN 337076)
d.arakelyan@d.law
450 N Brand Blvd, Suite 840
Glendale, CA 91203
Telephone: (818) 962- 6465
Facsimile: (818) 962-6469

Attorneys for Plaintiffs EVELYN THREETS, GARY WHITE, and STEVE VILLALOBOS on behalf of themselves and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

EVELYN THREETS, GARY WHITE, and STEVE VILLALOBOS, on behalf of themselves and all others similarly situated, and the general public, *Plaintiff*, v. URBAN ALCHEMY, a California corporation; and DOES 1 through 50, inclusive, *Defendants*.	Case No. 24STCV08943 [*Assigned for all purposes to the Hon. Stuart M. Rice, Dept. 1*] **DECLARATION OF DAVID ARAKELYAN IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: December 18, 2025 Time: 9:00AM Dept.: 1 Complaint Filed: April 9, 2024 FAC Filed: June 13, 2024 Trial Date: None Set

DECLARATION OF DAVID ARAKELYAN

I, David Arakelyan, declare:

1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Courts for the Central, Eastern and Northern Districts of California. I am an Associate Attorney at D.Law, Inc. ("D.Law"), and attorney of record for Plaintiff EVELYN THREETS ("Plaintiff Threets"), Plaintiff GARY WHITE ("Plaintiff White"), and Plaintiff STEVE VILLALOBOS ("Plaintiff Villalobos") (together referred to as "Plaintiffs" or "Class Representatives") on behalf of similarly situated employees of Defendant URBAN ALCHEMY ("Defendant") (Defendant and Plaintiffs together referred to as the "Parties").

2. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I submit this Declaration in support of the Motion for Preliminary Approval, filed by Plaintiffs, on behalf of themselves and other similarly situated employees of Defendant, and without opposition from Defendant, for preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"), a true and correct copy of which is attached hereto as **Exhibit 1**.

QUALIFICATIONS AND ADEQUACY OF CLASS COUNSEL

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

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

5. D.Law has litigated and successfully resolved many wage and hour class action cases

involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. *De La Rosa v. The Coca Cola Company et al*. (Superior Court of California in Napa, 17CV000787), *Harvey v. Bed Bath & Beyond of California Limited Liability Company* (Superior Court of California in Alameda, RG17885153), *Paredes v. Bottling Group LLC et. al*. (Superior Court of California in Kern), *Ramirez v. Harris Ranch Beef Company* (Superior Court of California in Fresno, 16CECG04103), *Gates v. Gate Gourmet, Inc. et. al*. (Southern District of California, 16-cv-01084-L-AGS), *Hargrave v. Antelope Valley Hospital* (Superior Court of California in Los Angeles, BC663252), *Ramirez v. Milton Roy et. al*. (Superior Court of California in Los Angeles, BC 632 276), *Hawkins v. AvalonBay Communities* (Superior Court of California in Santa Clara, 17CV316492), *Jones Tharpe et al. v. Sprint Corporation et al*. (Superior Court of California in Los Angeles, BC644645), *Ortega et al. v. Nestle Waters North America, Inc. et al*. (Superior Court of California in Los Angeles, BC623610), *Schultz v. Jimbo's Natural Family, Inc*. (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), *Ambrose v. Victor Valley Global et al*. (Superior Court of California in San Bernardino, CIVDS1709289), *Puerta-Gildardo v. Real Time Staffing Services LLC et. al*. (Superior Court of California in Los Angeles, BC565445), *Vargo v. Pregis Innovative Packaging LLC* (Superior Court of California in Tulare, 270836), *Conlin v. Aegis Senior Communities LLC* (Northern District of California, 17-cv-05534-LHK), *Galarza v. Kloeckner Metals Corporation* (Central District of California, 2:17-cv-04910-FMO), *Estes v. L3 Technologies, Inc. et al*. (Southern District of California, 3:17-cv-02356-H-JMA), *Rowser v. Trunk Club, Inc*. (Central District of California, 2:17-cv-05064-DSF-RAO), *Leach v. The Claremont Colleges, Inc*. (Superior Court of California in Los Angeles, BC686451), *Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets* (Superior Court of California, County of Contra Costa MSC18-02404), *Terry v. TF Louderback, Inc. dba Bay Area Beverage Company* (Superior Court of the State of California, County of Contra Costa, MSC18-00859), *Roach v. Westcare California, Inc*. (Superior Court of California in Kern County, BCV-17-102367-SDS), *Patton v. Church & Dwight Co., Inc*. (Central District of California, EDCV 18-903-MWF (KKx)), *Juarez v. ISL Employees, Inc*. (Superior Court of California in Madera, MCV074787), *Ferraro v. USC Verdugo Hill s Hospital, et al*. (Superior Court of California in

Los Angeles, 18STCV09463), *Ford v. Account Control Technology, Inc., et al*. (Superior Court of California in Los Angeles, 19STCV09369), *Ornelas v. iStorage, et al*. (Superior Court of California in San Francisco, CGC-18-571421), *Martinez v. Ronpak, Inc*. (Superior Court of California in Riverside, RIC1901307), *Barrera et al. v. Exclusive Wireless, Inc*. (Superior Court of California in Stanislaus, 9000687), *Barajas v. Mancha Development Company LLC* (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), *Prado v. IMAX Corporation dba IMAC Worldwide Home* (Superior Court of California in San Bernardino, CIVDS1820265), *Rodriguez v. ND Industries, Inc*. (Superior Court of California in Los Angeles, 19STCV38096), *Singletary v. Motel 6 Operating LP, et al*. (Southern District of California, 3:20-cv-0270-LAB-AHG), *Quizon v. CF Watsonville East, LLC, et al*. (Superior Court of California in Santa Cruz, 20CV01868), *Stephenson v. Bakersfield Dodge, Inc*. (Superior Court of California in Kern, BCV-20-102693), *Bacerra v. Hugo Boss Retail, Inc*. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), *Walker v. Ariat International, Inc*. (Superior Court of California in Alameda, HG19026439), *Orr v. Petvet Care Centers* (*California) Inc*. (Superior Court of California in Santa Clara, 19CV354063), *Jimenez v. OEC Distribution Services, Inc*. (Superior Court of California in San Bernardino, CIVDS1915743), *Virdi v. Absolute Security International* (Superior Court of California in San Bernardino, CIVDS 1909589), *Raj v. First Transit, Inc* (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), *Marchbanks v. Torrid Administration, Inc*. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

6. I am an Associate Attorney at D.Law, focusing exclusively on class action and PAGA cases. I was admitted to the California Bar in May of 2021. I received both my B.A. and J.D. from University of California, Los Angeles (UCLA). Since graduating from law school, I have practiced exclusively in the area of employment law, including both defense side and Plaintiff side positions. During my career, I have represented employees in wage-and-hour class action lawsuits as counsel, and I have worked to obtain six and seven figure settlements against a range of defendants. These cases have involved the gamut of wage-and-hour claims, including claims for failure to pay minimum wages, unpaid wages and overtime, failure to provide meal breaks,

inaccurate pay statements, and failure to pay timely wages - similar to claims at issue in the present matter. I am experienced in prosecuting employment matters, particularly class actions. In addition to the present case, I am also class counsel for dozens of other putative wage-and-hour class-action lawsuits pending in various state and federal jurisdictions throughout California.

7. Attorney David Yeremian is Managing Attorney at D.Law and counsel of record for Plaintiff. Mr. Yeremian graduated from UC Berkeley in 1997 and received his law degree and MBA from UCLA in 2001. Mr. Yeremian has been honored as a Super Lawyers Rising Star in 2009, 2010, 2012-2015 and has been named and honored as a Super Lawyer. Since 2007, Mr. Yeremian has focused exclusively on representing employees, including in wage-and-hour class actions. During his career, Mr. Yeremian has represented employees in hundreds of wage-and-hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern, and Northern Districts of California), and has obtained six and seven-figure settlements against a range of defendants, including Fortune 500 companies.

8. Attorney David Keledjian is Senior Counsel at D.Law and counsel of record for Plaintiffs. Mr. Keledjian received his Bachelor of Arts in Economics from the California State University of Fullerton, in 2011, and then earned his Juris Doctorate from the Trinity Law School in May of 2015. Upon graduating from law school, Mr. Keledjian has exclusively focused his practice on representing employees, including in wage-and-hour class actions.

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

action.

10. For purposes of this motion, the "Class" or "Class Members" consist of "all persons employed by Defendant, collectively, or separately, and/or any staffing agencies and/or any other third parties in hourly or non-exempt positions in California during the Class Period," which is from July 2, 2022, through July 31, 2025. (Exh. 1 §§ 1.5 and 1.12.) For purposes of this motion, an "Aggrieved Employees" means "a person employed by Defendant in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period," which is "the period from April 9, 2023, and to July 31, 2025." (Exh. 1 §§ 1.4 and 1.33.)

11. I do not believe that I have any conflicts of interest with the Class or with the Class Representatives. I am not related to the Class Representatives. I have not previously represented Defendant in any matter. I respectfully submit that I, and D.Law are well suited to act as Class Counsel in this action, and we have and will continue to vigorously represent the interests of the Class Members.

PROCEDURAL HISTORY, PLAINTIFFS' CLAIMS AND DEFENDANT'S DENIALS

12. On April 9, 2024, Plaintiffs filed a class action complaint against Defendant alleging seven causes of actions: (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198); (4) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (5) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (6) Failure to Indemnify (Lab Code § 2802); and (7) Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq*.)

13. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to Defendant and the Labor Workforce Development Agency ("LWDA") by sending a Private Attorneys General Act ("PAGA") Notice on April 9, 2024. The LWDA did not express an interest in investigating Plaintiffs' claims within the 65-day period. A true and correct copies of the confirmatory email and the LWDA letter submitted on behalf of Plaintiffs are attached hereto as **Exhibit 2.**

14. Therefore, on June 13, 2024, Plaintiffs filed a First Amended Complaint ("FAC")

adding a cause of action for Civil Penalties under PAGA.

PLAINTIFFS' CLAIMS AND DEFENDANT'S DENIALS

15. Plaintiffs' claims are based on Defendant's alleged failure to pay Class Members all wages due and owing (including off-the-clock work, and overtime), failure to provide meal and rest breaks, failure to furnish accurate wage statements, failure to timely pay wages including final wages, and failing to reimburse necessary business expenses, and largely derivative claims under the Unfair Competition Law ("UCL") and PAGA.

16. Specifically, Plaintiffs allege that Defendant implemented an unlawful time-rounding policy and practice, which rounded down and reduced the actual working hours recorded by Class Members.

17. Additionally, Plaintiffs allege that Defendant required Plaintiffs and Class Members to perform off-the-clock work before and after their scheduled shifts. Specifically, Plaintiffs and Class Members were required to work prior to clocking for their scheduled shifts, including putting together schedules for Class Members and fixing the clock in/clock out time per management's instructions. Furthermore, Plaintiffs and Class Members were required to keep their walkie talkies and cellular phones on them, and speak, email or text their supervisors off-the-clock regarding work-related matters, including during meal and rest periods, before and after their shifts, and on their days off. Additionally, Defendant required Plaintiffs and Class Members to clock-out at the end of their scheduled shifts, but continue working in order to complete various tasks, including relocating people, delivering the shower truck to a different location, and turning in paperwork regarding work done for the day. Lastly, Defendant also had a common policy and practice of altering Plaintiffs' and Class Members' timecards to reflect only the scheduled shift, and not the actual hours worked, even if they worked before and after their scheduled shift. The foregoing and uncompensated working time was under the direction and control of Defendant, for which no wages were paid.

18. Plaintiffs also allege that Defendant systematically denied Plaintiffs and Class Members the opportunity to take meal periods and rest periods in compliance with the California Law. Specifically, due to understaffing and heavy workloads, Plaintiffs and Class Members were

denied the opportunity to take timely meal and rest periods. Plaintiffs and Class Members were not relieved of all work duties during unpaid meal and rest periods. Plaintiffs' and Class Members' meal and rest periods were constantly interrupted by job assignments and the requirement by Defendant to address urgent issues related to patrons. Additionally, the uncompensated pre-shift work activities, discussed above, further delayed Plaintiffs' and Class Members' meal and rest periods to commence after the completion of their fifth and tenth hours of work. Additionally, Defendant neither scheduled nor allowed for a second meal period, even when Plaintiffs and Class Members worked more than ten hours per workday due to off-the-clock and/or overtime work. Defendant also required Class Members to remain on premises during both meal and rest breaks.

19. Plaintiffs allege that Defendant also failed to provide Class Members with accurate wage statements in compliance with California law.

20. Plaintiffs also allege that Defendant did not reimburse the Class Members for business expenses incurred in executing their duties under Defendant's employment. Specifically, Plaintiffs and Class Members were required to pay the costs of their personal cellular phone plans for which Defendant required to communicate with Plaintiffs and Class Members as well as use them to clock in and out of work as well as for meal periods. Additionally, throughout the course of employment, some Plaintiffs and Class Members' personal cellular phones were destroyed and were never reimbursed. Furthermore, Plaintiffs and Class Members had to use their own personal vehicles to get to job sites, which they were not reimbursed for gas and milage. They also incurred parking expenses, which were also not reimbursed. Plaintiffs and Class Members were also required to purchase protective gear (masks, vests, including bulletproof ones) as well as uniforms (black pants, shoes). Plaintiffs and Class members were not reimbursed for these expenses, all necessary in executing their duties under Defendant's employ and for which no reimbursements were paid.

21. Defendant denies the allegations in the Operative Complaint and deny any and all liability for the causes of action alleged.

///

INVESTIGATION AND DISCOVERY

22. Before filing the lawsuit, Class Counsel investigated and researched the facts and circumstances underlying the pertinent issues and the law applicable thereto. This required thorough discussions and interviews between Class Counsel and Plaintiffs, as well as preliminary research into the various legal issues involved in the case. After conducting their initial investigation, Class Counsel determined that Plaintiffs' claims were well-suited for class and representative action adjudication owing to what appeared to be a common course of conduct affecting a similarly situated group of employees.

23. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including: (1) conducting informal and formal discovery and meeting and conferring with defense counsel about the same; (2) reviewing and analyzing a sampling of time and pay records as well as employment handbooks, Plaintiffs' personnel files, relevant policies and other documentation; (3) researching the applicable law and potential defenses; (4) constructing damage models based on interpretations of California law; and (5) reviewing information provided by Defendant at mediation. The Class enumerated in this action is ascertainable because the Class Members may be readily identified by reference to Defendant's records. Defendant has agreed to share the information from these records with the Settlement Administrator in order to identify and contact the Class Members. Defendant has represented that there are approximately 2,676 total Class Members, and approximately 1,885 Aggrieved Employees.

24. Class Counsel's analysis was informed by a data sample produced by Defendant. The number of employees analyzed by Class Counsel's expert is 671, which represents 25% of the approximate total number of 2.676 Class Members. Accordingly, the data sample is statistically reliable.

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

Plaintiffs' claims and explore the possibility of settlement.

26. On June 16, 2025, the Parties attended mediation with Lonnie Giamela, a respected and highly experienced mediator in wage and hour class actions. During mediation, Plaintiffs' and Defendant's counsel discussed all aspects of the case, including the risks of litigation and the risks to both parties of proceeding with a motion for class certification as well as the law relating to unpaid wages, meal periods, rest periods, wage statements, and final pay. As a result of the mediation, the Parties agreed to settle the lawsuit according to the terms set forth in the Settlement Agreement.

27. From Class Counsel's review of the strengths and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believes that the Settlement is fair and reasonable. Further, and based on the settlement negotiations, which were extensive and conducted in good faith and at arm's length between attorneys with substantial experience litigating class actions and wage and hour cases, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

SUMMARY OF SETTLEMENT

28. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay $1,150,000.00 as the Gross Settlement Amount on a non-reversionary basis. (Exh. 1, §3.1.) Defendant shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendant's share of payroll taxes in four installments. The four payments, totaling the Gross Settlement Amount, shall be made as follows: (a) the first installment payment in the amount of $287,500.00 shall be made 7 days after the Effective Date; (b) The second installment payment in the amount of $287,500 shall be made 6 months after the first installment; (c) The third installment payment in the amount of $287,500 shall be made 6 months after the second installment; (d) The fourth installment payment in the amount of $287,500 shall be made 6 months after the third installment. (Exh. 1, §§ 3.1, 4.3.)

29. The Settlement Agreement defines the "Class" as "all persons employed by Defendant, collectively, or separately, and/or any staffing agencies and/or any other third parties in hourly or

non-exempt positions in California during the Class Period," which is from July 2, 2022, through July 31, 2025." (Exh. 1 §§ 1.5 and 1.12.) However, it does not include any person who submits a timely and valid request for exclusion. (Exh. 1, §7.5.4.) It also defines an "Aggrieved Employee" as "a person employed by Defendant, in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period," which is from April 9, 2023, through July 31, 2025. (Exh. 1, §§ 1.4, 1.33.)

30. The "Net Settlement Amount" shall be the Gross Settlement Amount, less the Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, interest and the Administration Expenses Payment. (Exh. 1, §1.28.) These amounts are detailed as follows:

- Class Counsel Fees Payment of not more than 33.3%, which is currently estimated to be $383,333.33 and Class Counsel Litigation Expenses Payment of not more than $30,000.00; (Exh. 1, § 3.2.2.)
- Administration Expenses Payment of not more than $30,000.00; (Exh. 1, §3.2.3);
- Class Representative Service Payments to each Class Representative of not more than $10,000.00 to each Class Representative (totaling $30,000.00); (Exh. 1, § 3.2.1.); and
- PAGA Penalties in the amount of $100,000.00 for civil penalties under PAGA, with 75% ($75,000.00) paid to the LWDA for the LWDA PAGA Payment and 25% ($25,000.00) paid to Aggrieved Employees for their Individual PAGA Payments. (Exh. 1, § 3.2.5.)

31. The "Individual Class Payment" is each Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period. (Exh. 1, §1.23.)

32. The "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. (Exh. 1, §1.24.)

33. Defendant will pay their employer-side payroll tax obligations on the Wage Portion of the Individual Class Payments in addition to the Gross Settlement Amount. (Exh. 1, §3.1.) 20% of

each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"), and are subject to tax withholding and will be reported on an IRS W-2 Form. (Exh. 1, § 3.2.4.1.) The remaining 80% will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). (*Id.*)

34. 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 Defendant against certification, liability and damages, Class Counsel believes that the settlement is fair and reasonable.

35. Class Members will receive the Class Notice via first class mail (after the Settlement Administrator conducts a national change of address search). (Exh. 1, §7.4.3.) 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, §7.4.4.)

36. Class Members will have an opportunity to dispute the Workweeks and PAGA Pay Period information provided in their Class Notice and produce evidence to support their contentions. (Exh. 1, §7.6.) The Settlement Administrator shall decide the dispute and must encourage the Class Member disputing their credited workweeks to produce supporting documentation in order to resolve the dispute. (Exh. 1, §7.6.)

37. Class Members wishing to opt out from the Settlement Agreement must send a signed written request for exclusion to the Settlement Administrator within 60 days from the initial mailing of the Class Notice. (Exh. 1, §7.5.1.) Participating Class Members will also have the opportunity to object to the Settlement Agreement by serving a copy of the objection to the Settlement Administrator within 45 days after the mailing of the Class Notice (Exh. 1, §7.7.2.)

THE STRENGTH OF PLAINTIFFS' CASE IN LIGHT OF THE SETTLEMENT AMOUNT

38. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action

mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

39. The strength of the plaintiffs' case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs allege that Defendant failed to pay minimum wages and overtime, failed to provide proper meal breaks or provide premium pay in lieu thereof, failed to provide proper rest breaks or provide premium pay in lieu thereof, failed to provide accurate wage statements, failed to timely pay all wages upon termination, and failed to reimburse necessary business expenses. Plaintiffs seek related violations of California's Business & Professions Code, and penalties pursuant to Labor Code § 2699 *et seq*. Plaintiffs conducted discovery and investigated each of the claims they alleged. Specifically, Defendant produced the following: (a) a copy Defendant's employee handbook effective since July 1, 2019; (b) Defendant's policies and procedures pertaining to minimum wages, overtime, meal breaks, rest breaks, reimbursements, and travel; (c) Plaintiffs' personnel files; (d) a sampling of the Class Members' timekeeping and payroll records; and (e) information on the class demographics including the total number of Class Members during the Class Period, total number of Class Members during the PAGA Period, total number of workweeks worked during the Class Period, and the total number of pay periods. The merits of each of these claims will be addressed separately below.

40. Based on the data provided, Class Counsel estimated the following maximum exposures: unpaid wage claim at **$803,340** (minimum and overtime wage claims), meal period claim at **$544,419**, rest period claim at **$544,419**, wage statement claim at **$803,340**, waiting time penalties at **$1,769,718.67**, reimbursement of business expenses claim at **$301,205**, and on PAGA at **$377,150,** for a total realistic maximum exposure of **$5,143,591.67.**

41. Class Counsel believes that the settlement is fair and reasonable and serves the best interests of Class Members. Although the recommendations of counsel proposing the class settlement are not conclusive, the Court can properly take the recommendations into account,

particularly if counsel has been involved in litigation for some period of time, appear to be competent, and have experience with this type of litigation, and significant discovery has been completed. *See Newberg,* §11.47.

Minimum Wages and Overtime

42. Plaintiffs alleged that Defendant failed to pay Plaintiffs and Class Members proper minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours a week. Specifically, Plaintiffs allege that Plaintiffs and Class Members were required to work prior to clocking in for their scheduled shifts, including putting together schedules for Class Members and altering the clock in/clock out time for employees per management's instructions. Furthermore, Plaintiffs allege that they and Class Members were required to keep their walkie talkies and cellular phones on them, and speak, email or text their supervisors off-the-clock regarding work-related matters, including during meal and rest periods, before and after their shifts, and on their days off. Additionally, Plaintiffs allege that Defendant required Plaintiffs and Class Members to clock-out at the end of their scheduled shifts, but continue working in order to complete various tasks, including relocating people, delivering the shower truck to a different location, and turning in paperwork regarding work done for the day. Lastly, Plaintiffs allege that Defendant also had a common policy and practice of altering Plaintiffs' and Class Members' timecards to reflect only the scheduled shift, and not the actual hours worked, even if they worked before and after their scheduled shift. Plaintiffs also alleged that Defendant also implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiffs and Class Members, and upon which their pay was based, and generally did so to the detriment of the Plaintiffs and Class Members.

43. Defendant contended that they paid for all reported hours worked, that Class Members were trained to record all hours worked, and that they paid proper minimum and overtime wages. Defendant also maintained that the allegations regarding failure to pay wages for hours worked in excess of eight hours in a day did not constitute a basis for violation of Labor Code § 510. Defendant argued that given its written policies and practices, any unrecorded hours were likely

subject to individualized inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel had to apply a significant discount to damages based on this theory.

44. Based on the above detailed facts, Class Counsel's expert estimated Defendant's exposure on unpaid wages claims to be approximately $4,016,700 (based on 2 hours of off the clock work per workweek). However, given Defendant's defenses and the potential hurdles facing certification of this claim, Class Counsel applied an 80% discount making for an adjusted exposure of $803,340 for Defendant.

Meal Periods and Rest Breaks

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

46. Plaintiffs argued that Defendant had a common practice and policy of denying compliant meal periods. Specifically, Plaintiffs alleged that Plaintiffs and Class Members were required to perform work-related activities, including having to keep and monitor their company radios and/or walkie-talkies as well as cellular phones, during unpaid meal periods. Plaintiffs' and Class Members' meal periods were also constantly interrupted by job assignments and the requirement to address urgent issues related to patrons. Additionally, Plaintiffs alleged that the uncompensated pre-shift work activities discussed above further delayed Plaintiffs' and Class Members' meal periods to commence after the completion of their fifth hour of work. Additionally, Defendant neither scheduled nor allowed for a second meal period, even when Plaintiffs and Class Members worked in excess of ten hours per workday due to off-the-clock and/or overtime work. Plaintiffs also alleged that they were not allowed to leave work premises during meal periods.

47. Defendant disagreed with Class Counsel's interpretation of the law and facts. Defendant contended that Class Members were given a reasonable opportunity to take their meal periods, including a second meal period, and in fact received their meal periods most of the time

and had the ability to leave Defendant's premises during unpaid meal periods. Defendant argued they have a high meal period compliance rate.

48. Class Counsel calculated Defendant's maximum total exposure on the meal break claim at approximately $2,722,095 (calculated as 120,500 unique meal break violations (one violation per workweek) x $22.59 regular rate of pay). However, Class Counsel believes this estimate is high given Defendant's defenses and potential hurdles facing certification of this claim and thus provided an 80% discount making Defendant's adjusted exposure $544,419.

49. The same argument applied to rest breaks. Plaintiffs contended that Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or major fraction thereof. Plaintiffs contended that Class Members were not relieved of their duties and were consistently required to work through their rest breaks due to the excessive workloads, including the need to keep and monitor their company radios and/or walkie-talkies during rest breaks and attend to the needs of the patrons. Plaintiffs also contended that Defendant maintained a policy and practice of interrupting Plaintiffs' and Class Members' meal and rest periods with work assignments. Plaintiffs also contended that Plaintiffs and Class Members were prohibited from leaving the work premises during rest breaks, when such breaks were taken, despite the language contained in the handbook specifically allowing them to leave.

50. Defendant maintained that it did provide the reasonable opportunity for Class Members to take duty-free rest breaks, did not require that Class Member carry radios and/or walkie-talkies during the breaks, and allowed Class Members to leave Defendant's premises. Defendant also pointed out that, unlike meal periods, rest breaks need not be recorded, so any rest break violations would likely be difficult to prove at trial. Defendant disputes all allegations that breaks were not received. As these considerations would likely depress the damages *vel non* ultimately awarded, Class Counsel applied significant and appropriate discounts to the rest-break claim.

51. Class Counsel estimated Defendant's maximum total exposure on the rest break claim at approximately $2,722,095 (calculated as 120,500 unique rest break violations (one violation per workweek) x $22.59 regular rate of pay). However, Class Counsel believes this estimate is high given the difficulty of proving rest break violations at trial and the potential hurdles facing

certification of this claim difficult to achieve, and thus applied an 80% discount making Defendant's exposure more likely to be $544,419.

///

Paystub Violations

52. Plaintiffs also contended that Defendant failed to provide Class Members with accurate, itemized wage statements in writing as required by California Labor Code § 226(a) because the wage statements failed to accurately account for unpaid minimum wages and overtime due to underreporting of hours and off the clock work. Moreover, Plaintiffs contended the wage statements failed to accurately account for premium pay for deficiently provided meal and rest breaks which Defendant knew or reasonably should have known were owed to Plaintiffs and Class Members. As a direct and proximate cause of Defendant's violation of Labor Code § 226(a), the Class Members suffered injuries, including among other things confusion over whether they received all wages owed them. Pursuant to Labor Code §§ 226(a) and 226(e), 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.

53. Defendant contends that Plaintiffs' claim for further Labor Code § 226(e) penalties would depend in large part on their underlying meal period and wage claims, and thus be subject to the same defenses. Additionally, Defendant argues this claim has little or no value. *See Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1336-1337 (2018) (wage statements that accurately report wages paid to employees do not violate Labor Code § 226, even if it is later determined that employer did not properly pay all wages due). Defendant further contends that Labor Code § 226(e) penalties are not automatic. Rather, the employee must show (1) that he or she "suffered injury" from the employer's failure to provide compliant wage statements, *see Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d 1169, 1181 (applying California law) (holding employee was not entitled to penalties because no injury was shown), and (2) Defendant's noncompliance was "knowing and intentional." Finally, because the damages for this

cause of action are penalties, the statute of limitations only runs from one year prior to the filing of the original complaint. *See* Cal. Civ. Pro. § 340.

54. Class Counsel's expert estimated Defendant's maximum total exposure on the section 226 claim at approximately $4,016,700). Class Counsel believes it may be difficult to prevail on this claim because Class Members would need to show that they suffered an injury and that Defendant's noncompliance was knowing and intentional (on top of the challenges described above with the underlying wage and break claims) which are both subject to individualized issues making certification of this claim difficult to achieve. Thus, Class Counsel applied an 80% discount making Defendant's adjusted exposure $803,340.

Failure to Pay Final Wages

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

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

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

> A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when those wages are due. However, a good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203.
>
> A "good faith dispute" that any wages are due occurs when an employer presents a defense, based in law or fact, which, if successful, would preclude any recovery

> on the part of the employee. The fact that a defense is ultimately unsuccessful will 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."

Defendant maintained that because it had viable defenses in both law and fact, especially in light of the *Brinker* holding, that waiting-time penalties could not be awarded and, in any case, such penalties were subject to a three-year limitations period under Labor Code § 203(b).

58. Class Counsel estimated Defendant's maximum total exposure on the section 203 claim at approximately $8,848,593.36 (1,718 terminated employees x 30 days x 7.6 hours per shift x $22.59 average rate of pay). Class Counsel believed it would be difficult to recover waiting time penalties given that Plaintiffs would need to show willfulness on top of proving the underlying wage and break claims which are also potentially subject to individualized issues making certification of this claim difficult to achieve. Thus, Class Counsel applied an 80% discount making Defendant's adjusted exposure $1,769,718.67.

Failure to Reimburse for Necessary Business Expenditures

59. Labor Code § 2802 provides that an employer must reimburse employees for all necessary expenditures incurred in the performance of their job duties. Plaintiffs worked for Defendant and in the course of performing their job duties, incurred necessary business-related expense. Specifically, Plaintiffs allege that Defendant required Plaintiffs and Class Members were required to pay the costs of their personal cellular phones used for work, had to drive their own vehicles for work-related purposes, incurred parking expenses, purchased uniforms and protective gear without being provided any reimbursement for these necessary business expenses. Defendant contends that Class Members were not required to use their cell phones, were not required to drive their personal vehicles, and were reimbursed for any necessary supplies and uniform maintenance.

60. Class Counsel estimated Defendant's maximum total exposure for failing to reimburse business expenses at approximately $1,506,250.00 ($50 per month x 30,125 months (converting 120,500 workweeks into weeks). Class Counsel believes it would be difficult to recover on this claim because Defendant maintain they did not require Class Members to incur the necessary

business expenses. Thus, Class Counsel applied an 80% discount making Defendant's adjusted exposure $301,250.00.

///

PAGA Penalties

61. The Labor Code Private Attorneys General Act, Labor Code § 2699 et seq., allows Plaintiff to obtain civil penalties on behalf of themselves and other Class Members for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five (25) percent allocated to the affected employees. The limitations period as for all penalties is one year prior to the filing of the complaint.

62. The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 203, 204, 226(a), 226.2, 226.7, 510, and 1194, Defendant asserted that if PAGA penalties were mandatory, an employer's PAGA liability would be huge because of the possibility of collecting multiple civil penalties for a single violation, and thus such penalties would almost always dwarf the damages available under the causes of action proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See, e.g., Lopez v. Friant & Assocs., LLC*, 15 Cal. App. 5th 773, 788 (2017), *rev. denied* (2018), (recognizing court's ability to reduce PAGA penalties). Courts have held that situations similar to the current one (e.g. injuryless violations, technical errors, and substantial compliance) should lead to reductions in penalties. *See Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th

1112, 1134-1135 (2012) (holding that reduction was justified when employer "attempted to comply with the law"); *Fleming v. Covdien, Inc.*, No. ED CV10-01487 RGK (OPx), 2011 U.S. Dist. LEXIS 154590 at *8-9 (C.D. Cal. August 12, 2011) (reducing PAGA penalties more than 80% – from $2.8 million to $500,000 – when "employees suffered no injury" employers were "not aware" of the violation and "took prompt steps to correct all violations once notified"). Defendant here maintained that it had a strong argument that it would be unjust to award maximum PAGA penalties.

63. Furthermore, PAGA penalties are also derivative of each and every other claim, and Defendant therefore argued the PAGA claims would be subject to the same defenses to the underlying claims. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, it can be argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant have never been notified of the alleged violations. *Id.* at 1208-1209. Moreover, Section 2699(e)(1) authorizes the Court to exercise the same discretion as the DLSE whether to award civil penalties. *Amaral* 163 Cal. App. 4th 1157, 1211-12. Therefore, if Labor Commissioner - on whose behalf Plaintiffs are prosecuting this action for civil penalties - would not impose civil penalties in a case like this, the Court may not award civil penalties. Moreover, in *Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1136, the Court of Appeal affirmed the trial court's reduction of PAGA civil penalties by 30 percent, finding that awarding the full penalties would have been "unjust" because "…a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

64. Class Counsel estimated Defendant's maximum total exposure on the PAGA claim at approximately $3,771,500.00 ($100 x 37,715 pay periods (no stacking)) However, Class Counsel notes that owing to the discretionary nature of PAGA penalties and the foregoing case law it is unlikely the Court would award the full penalty and that it would be substantially reduced to something more like $377,150.00 if awarded a violation rate of $10 per pay period. Class Counsel applied discounts in light of the countervailing arguments with regard to the primary causes of

action, and moreover the Court's power to award "a lesser amount than the maximum civil liability." The parties also considered that the purpose of PAGA is to "achieve maximum compliance with state labor laws," *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal. 4th 348, 379. This makes the Settlement's proposed PAGA payment of **$100,000.00** appropriate.

Unfair Business Practices

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

Summary

66. The foregoing discussion has sought to explain how the settlement amount is adequate in light of the merits of Plaintiffs' case. It has done this by explaining the legal basis for each of Plaintiffs' causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating Defendants' legal and factual arguments that worked to derogate from the strength of Plaintiffs' case. Additionally, the settlement calls for a payment plan consisting of four equal installment payments due to Defendant's financial circumstances. Defendant is a non-profit organization. During the mediation, Defendant presented information to the mediator regarding their financial circumstances, which the mediator felt justified a payment plan. If the Court requires the submission of such financial documents, Defendant represented that it will comply with that requirement and file any requested documents under seal.

67. Class Counsel had to apply appropriate discounts in light of the facts and law as discussed above. Thus, this settlement, like most others, was the product of compromise. The Gross Settlement Amount of $1,150,000.00 represents a recovery for the Class of approximately 22.4% of the total realistic exposure of $5,143,591.67 Plaintiffs estimated that Defendant could face on the primary claims in this case. Plaintiffs and Class Counsel submit that this is an excellent result in the face of uncertainty and the prospects of protracted and contested litigation through class certification, summary judgment, and trial, and particularly in light of all of the factors described above. Under the Settlement, each of the approximately 2,676 Class Members

will receive, using a straight average and assuming they worked throughout the Class Period, $215.49 for their Individual Class Payment[1]. These payments will be issued upon the completion of the payment installment plan, which will be 18 months after the Effective Date of the settlement.

<u>THE RISK, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION, AS WELL AS THE RISK OF MAINTAINING CLASS ACTION STATUS THROUGH TRIAL</u>

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

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

70. The parties disputed the effect of these and other issues on class certification and decertification. Class Counsel maintained that there were several legal and factual questions at issue in the case that could best be decided on a class wide basis. Class Counsel contended that the same policies and practices applied to all Class Members and therefore common questions obtained and were likely to predominate over individual inquiries. Defendant disputed these contentions and insisted that the *Brinker* decision called into question the certifiability of cases such as this one. Defendant also argued that its policies were compliant with the law, while Plaintiffs disputed that the policies were lawful, and argued the lawfulness of such policies would

[1] Based on an estimated Net Settlement Amount of $576,666.67, which is calculated by deducting the following amounts from the GSA of $1,150,000.00: $383,333.33 (Class Counsel Fees Payment); $30,000.00 (Class Counsel Litigation Expenses Payment); $30,000.00 (Class Representative Service Payments of $10,000.00 to each Plaintiff); $30,000.00 (Administrator Expenses Payment); and $100,000.00 (PAGA Penalties).

give rise to common questions amenable to certification. Thus, the parties had set positions on the propriety of certifiability and liability that did not admit of an easy resolution.

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

NOTICE TO AND REACTION OF CLASS MEMBERS TO THE PROPOSED SETTLEMENT

72. While premature to address this factor at the preliminary approval stage, some observations are appropriate. First, the notification procedure set out in the Settlement Agreement provides the greatest likelihood that each and every Class Member will receive the Notice of Settlement ("Class Notice"), attached to the Settlement Agreement as **Exhibit A**. Under the Settlement Agreement, the Settlement Administrator will send the Class Notice to each Class Member via First Class U.S. mail. (Exh. 1, §7.4.3). Before mailing, the Settlement Administrator will perform a skip trace search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. (Exh. 1, §7.4.3) 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

forward the original Class Notice to the updated address via first-class regular U.S. mail, no later than three (3) business days after the Administrator's receipt of any Class Notice returned as undelivered. (Exh. 1, §7.4.4) Thus, most, if not all, Class Members will likely receive the Class Notice.

73. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. They provide for a specific procedure to seek exclusion from the Class, and for lodging objections to the settlement. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the settlement augur a favorable response rate. The Settlement Agreement does not call for a Notice to be provided in Spanish as Defendant represented that the vast majority of the Class Members speak English.

74. If a Class Member disputes the number of workweeks stated for that Class Member in the Class Notice, the Class Member must ask the Settlement Administrator to resolve the matter by submitting in writing under penalty of perjury the workweeks that the Class Member claims to have actually worked for Defendant during the Class Period. (Exh. 1, §7.6). After consultation with Class Counsel and Defendant's Counsel, the Class Action Administrator will make a determination of the Class Member's total workweeks during the applicable period. (*Id.*)

CONCLUSION OF THE *CLARK/KULLAR* ANALYSIS

75. The foregoing discussion establishes the fairness of the class-action settlement in the instant case. It has done this by analyzing the settlement in light of the appellate decisions in *Clark* and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and adequate. Class Counsel conducted a thorough investigation of the subject wage-and-hour practices and engaged in non-collusive, arm's-length negotiations in order to reach a settlement. Defendant has agreed to pay fair value to settle Plaintiffs' claims given the existence of legal uncertainty. From Class Counsel's substantial experience with wage-and-hour class action lawsuits Class Counsel believes that this case could not have settled on better terms under the circumstances. Request therefore is made that the settlement be granted preliminary approval so that those persons whom it was intended to benefit shall be afforded the opportunity to determine

its adequacy.

REQUEST FOR ATTORNEYS' FEES

76. Under the Settlement, Class Counsel also requests, without opposition from Defendant, an award of Class Counsel Fees Payment and Costs consisting of: (1) not more than $383,333.33 in attorneys' fees and (2) not more than $30,000.00 for reimbursement of actual reasonable litigation costs. (Exh. 1, §3.2.2). This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in the first place. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Class Members, communicating with Class Members regarding their claims, and assisting in the administration of the settlement if it is preliminarily approved. Defendant will not oppose Class Counsel's above fees and cost request.

77. D.Law, Inc. took this case on a contingent-fee basis against a business represented by a reputable defense firm. When we take contingent cases, we must pay careful attention to the economics involved or one bad case can destroy years of work. Accordingly, when we take contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the number of hours in a day is limited. Because of this, when we take on one particular matter, we are unable to take on other matters. In sum, this case claimed a significant portion of Class Counsel's time and attention throughout its pendency.

78. 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

79. Plaintiffs herein are entitled to 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 co-workers by filing a class action lawsuit.

80. The courage it took to stand up to Defendant by filing and litigating this action in this way should not be underestimated. By suing Defendant, Plaintiffs increased the risk of retaliation by prospective employers.

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

82. Plaintiffs have spent a significant amount of time with Class Counsel detailing their knowledge of Defendant's practices and helping Class Counsel with the prosecution of this action. They have diligently, adequately, and fairly represented Class Members, and have not placed their interests above any member of the putative class. The payment to Plaintiffs is intended to recognize their time and effort on behalf of the Class. The amount requested is fair and appropriate based on their contribution and involvement. For example, Plaintiffs instigated the lawsuit by bringing these violations to the attention of Class Counsel. They spent several hours answering questions and providing information to Class Counsel throughout the pendency of this action. They identified witnesses, explained to Class Counsel day to day business practices of Defendant with regard to work schedules and meal breaks, etc. The parties are in agreement

that Plaintiffs are entitled to an enhancement for their time and efforts in this matter. This sort of payment to a class representative has been a common feature of settlements negotiated by Class Counsel and has been routinely approved by trial courts.

83. In light of the foregoing, Class Counsel believes that the Class Representative Service payments in the amount of $10,000.00 to each Class Representative is fair and reasonable.

CRITERIA SATISFIED FOR CERTIFICATION OF SETTLEMENT CLASS

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

a. Numerosity. The putative class is so numerous that joinder of all members is impractical. Class Members are "all persons employed by Defendant, collectively, or separately, and/or any staffing agencies and/or any other third parties in hourly or non-exempt positions in California during the Class Period," which is from July 2, 2022, through July 31, 2025. There are approximately 2,676 persons answering to this definition. Thus, there are a sufficient number of Class Members to warrant certifying this as a class action for settlement purposes.

b. Ascertainability. The putative class is defined in a manner that is precise, objective, and ascertainable. The Class Members have already been identified by reference to Defendant's payroll and personnel records.

c. Typicality. A class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representative's claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representative is similarly situated so that he or she will have the motive to litigate on behalf of all Class Members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been the law in California that the class representative must have identical interests with the class members."). Thus, it is not necessary that the class representative should have personally incurred all of the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

Plaintiffs' claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. Plaintiffs were employed by Defendant during the Class Period and subject to the allegedly unlawful meal and rest break policies and pay practices at issue in this litigation. Accordingly, Plaintiffs are members of the Class. The central issues of this litigation (whether Defendant failed to pay all wages, whether Defendant failed to provide meal and rest periods etc.), which would arise if this were an individual action brought by Plaintiffs, apply to the other Class Members as well. Thus, Plaintiffs' claims are typical of the claims of the putative class.

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

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

e. Commonality. Common questions of law or fact in this case predominate over individual questions. This action involves, *inter alia*, a determination about Defendant's alleged failure to provide meal and rest periods, failure to pay minimum and overtime wages due to allegedly common and unlawful policies, failure to pay proper sick pay, failure to pay final wages when required, failure to provide accurate written wage statements, failure to indemnify for business expenses, and largely derivative claims under the Business & Professions Code and PAGA. Plaintiffs contend these practices affected Class Members in the same way. Therefore, the Operative Complaint delineates a common course of conduct applicable to all Class Members. Therefore, based on Class Counsel's investigation, the review of the discovery produced by Defendant, and their discussions with Plaintiffs, Plaintiffs contend the evidence supports their position that the employment practices and policies of Defendant's business were consistent and uniform.

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

g. Superiority. Class resolution is superior to other available methods for the fair and efficient adjudication of the controversy. There is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the injury resulting from Defendant's policies and practices are real and significant, the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. If Class Members are forced to litigate their claims individually this would result in about 198 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for relatively small amounts. Hence, an individual suit would prove uneconomical for a potential plaintiff because litigation costs would dwarf a potential recovery.

h. Los Angeles County is a compelling forum for this action given that Defendant's location is in Los Angeles County and numerous Class Members work in this County.

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

85. Neither Plaintiffs nor their counsel have any interest or involvement with the governance or work of the *cy pres* recipient, Ear Hustle.

86. On December 5, 2025, Plaintiffs submitted the Class Action and PAGA Settlement Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement and supporting documents to the LWDA. A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 3.**

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

Executed this 5th day of December, at Glendale, California.

David Arakelyan

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs EVELYN THREETS, GARY WHITE, and STEVE VILLALOBOS ("Plaintiffs") and Defendant URBAN ALCHEMY ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiffs' lawsuit alleging wage and hour violations against Defendant captioned *Evelyn Threets, et al v. Urban Alchemy*. initiated on April 9, 2024, and pending in Superior Court of the State of California, County of Los Angeles, Case No. 24STCV08943.

1.2 "Administrator" means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 "Aggrieved Employee" means a person employed by Defendant, in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period.

1.5 "Class" means all persons employed by Defendant, collectively, or separately, and/or any staffing agencies and/or any other third parties in hourly or non-exempt positions in California during the release period.

1.6 "Class Counsel" means David Yeremian, David Keledjian, David Arakelyan of D.Law, Inc.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

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

1.9 "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).

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

1.11 "Class 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, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12 "Class Period" means the period from July 2, 2022, through July 31, 2025.

1.13 "Class Representatives" means the named Plaintiffs in the operative complaint in the Action, Evelyn Threets, Gary White, and Steve Villalobos, seeking Court approval to serve as Class Representatives.

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

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

1.16 "Defendant" means named Defendant URBAN ALCHEMY.

1.17 "Defense Counsel" means Trevor Witt and Serena Limas of JACKSON LEWIS, P.C.

1.18 "Effective Date" means the date by when both of the following have occurred: (1) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defense Counsel; (2) the Court has given preliminary approval to the Stipulation of Settlement as to the class claims in the Action and approval of the Stipulation of Settlement with respect to the PAGA claim; (3) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of the Stipulation of Settlement or to opt out of the Stipulation of Settlement; (4) the Court has held a formal fairness hearing and entered a final order and Judgment certifying the Settlement Class, dismissing the Class Action with prejudice, and approving the Stipulation of Settlement; (5) sixty (60) calendar days have passed since the Court has entered a final order and Judgment certifying the Settlement Class, dismissing the Class Action with prejudice, and approving the Stipulation of Settlement; and (6) in the event there are written objections filed prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: (a) five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, (b) if any appeal, writ or other appellate proceeding opposing the Court's final order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

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

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

1.21 "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22 "Gross Settlement Amount" means One Million One Hundred-Fifty Thousand Dollars and Zero Cents ($1,150,000.00) which is the total amount Defendant agrees to pay under the Settlement except and subject to the escalation provision under Paragraph 8 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, interest, and the Administrator's Expenses.

1.23 "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.

1.24 "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.

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

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

1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28 "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, interest, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29 "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.

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

1.31 "PAGA Group" means all Class Members who worked for Defendant at any time from April 9, 2023 through July 31, 2025.

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

1.33 "PAGA Period" means the period from April 9, 2023, to July 31, 2025.

1.34 "PAGA Notice" means Plaintiffs' April 9, 2024, Amended letter to Defendant and the 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 ($25,000.00) and the 75% to LWDA ($75,000.00) 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 EVELYN THREETS, GARY WHITE, and STEVE VILLALOBOS, 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: Defendant and all of its present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Class Claims and/or for any of the Released PAGA Claims, and Defendant's counsel of record in the Action.

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 Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On April 9, 2024, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Defendant for 1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); 2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); 3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1 and 1198); 4) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); 5) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); 6) Failure to Indemnify (Lab. Code § 2802); and 7) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.). Subsequently, on June 13, 2024, Plaintiffs filed their First Amended Complaint ("FAC"), adding an eighth cause of action for Civil Penalties pursuant to the Private Attorneys General Act ("PAGA"), Labor Code § 2698, *et seq.*

The FAC is the operative complaint in the Action (the "Operative Complaint.") Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice on April 9, 2024.

2.3 On June 16, 2025, the Parties participated in an all-day mediation presided over by Lonnie Giamela, which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, time and pay data for Class Members and the Aggrieved Employees along with Defendant's handbooks, policies, and procedures in effect during the Class Period. Plaintiffs were able to retain experts, who analyzed the relevant data and produced a damage analysis report. 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.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant shall pay One Million One Hundred-Fifty Thousand Dollars and Zero Cents ($1,150,000.00) 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. The GSA shall be paid in four equal installment payments. The first payment in the amount of $287,500.00 (Two Hundred and Eighty-Seven Thousand Five Hundred Dollars and Zero Cents) shall be due 7 (seven) days after the Effective Date. The second payment in the amount of $287,500.00 (Two Hundred and Eighty-Seven Thousand Five Hundred Dollars and Zero Cents) shall be due 6 (six) months after the first payment. The third payment in the amount of $287,500.00 (Two Hundred and Eighty-Seven Thousand Five Hundred Dollars and Zero Cents) shall be due 6 (six) months after the second payment. The last payment in the amount of $287,500.00 (Two Hundred and Eighty-Seven Thousand Five Hundred and Zero Cents) shall be due 6 (six) months after the third payment. The Gross Settlement Amount does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

With the exception of the Escalation provision at Section 8, and the employer's share of payroll taxes, in no event shall Defendant be liable for or required to pay more than the Gross Settlement Amount. 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 Defendant.

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

3.2.1 To Plaintiffs: Class Representative Service Payments to each Class Representative of not more than $10,000.00 (totaling $30,000.00 for all three Class Representatives) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representatives Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payments less than the amounts 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 Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.3%, which is currently estimated to be Three Hundred and Eighty-Three Thousand Thirty

Three Dollars and Thirty-Three Cents ($383,333.33) and a Class Counsel Litigation Expenses Payment of not more than Thirty Thousand Dollars and Zero Cents ($30,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees 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 Defendant harmless, and indemnifies Defendant, 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 Twenty-Five Thousand Dollars and Zero Cents ($25,000.00) 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 $25,000.00, 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 One Hundred Thousand Dollars ($100,000.00) to be paid from the Gross Settlement Amount, with 75% ($75,000.00) allocated to the LWDA PAGA Payment and 25% ($25,000.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($25,000.00) 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 their records to date, Defendant estimates there are 2,676 Class Members who collectively worked a total of 120,500 Workweeks, and 1,885 Aggrieved Employees who worked a total of 37,715 PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously 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. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than by the deadlines specified in Section 3 of this Class Action Settlement Agreement.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds 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. 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 retuned 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 Ear Hustle ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

5. **<u>RELEASES OF CLAIMS</u>**. Effective on the date when Defendant fully funds 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 Class Counsel will release claims against all Released Parties as follows:

Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, heirs, administrators, successors, and assigns generally, release, and will not pursue any manner of action, cause of action, claim, demand, right, suit, obligation, debt, contract, agreement promise, liability or remedy of any nature, and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class 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, whether in law or in equity, under contract, tort, or any other subject area, or under any statute, rule, regulation, order, or law, whether federal, state, or local, on any grounds whatsoever, arising out of or relating to any acts, facts, omissions, or obligations, whether known or unknown, whether foreseen or unforeseen, fixed or contingent, against the Released Parties, 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.

Plaintiffs acknowledge that Plaintiffs 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 any and all claims alleged in the Complaint and/or First Amended Complaint, 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, any and all claims involving any alleged wage and hour violations, including without limitation, California Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 218, 218.5, 223, 226, 226.7, 510, 512, 516, 558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and/or failure to comply with all related obligations under the California Labor Code, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., including all claims for unpaid wages, overtime or double time wages, minimum wages, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, attorneys' fees, costs, declaratory or injunctive relief, and restitution, as well as all other claims and allegations alleged in the Class Action during 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, and without limitation, California Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 218, 218.5, 223, 226, 226.7, 510, 512, 516, 558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, 2698 et seq., 2699 et seq., 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for unpaid wages, overtime or double time wages, minimum wages, meal periods and meal period premiums, rest periods and rest period premiums, timely payment of wages during employment and at separation, wage statement penalties, recordkeeping penalties, penalties recoverable pursuant to the claims listed above (including civil penalties pursuant to PAGA), interest, fees, costs, as well as all other claims and allegations alleged in the PAGA Action during the PAGA Period.

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.

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/or the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from each Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator and/or the proposed *Cy Pres*; (vi) 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)); (vi) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient.

6.1 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a 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.

6.2 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, 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 Administration to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action Administration 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 The notices to be sent to the Class Members are to be mutually agreed upon by the Parties and presented for approval to the Court.

7.4.2 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.

7.4.3 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, 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.

7.4.4 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.

7.4.5 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.

7.4.6 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith. in an effort to agree on whether to include them as 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 <u>Requests for Exclusion (Opt-Outs)</u>.

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 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every 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 <u>Challenges to Calculation of Workweeks</u>. 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 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed). PAGA Group Members may not object or opt out of either (1) the release of the PAGA claims; or (2) payments for the release of the PAGA claims.

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 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).

7.8.2 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.

7.8.3 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.

7.8.4 Administrator's Declaration. Not later than 21 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.

7.8.5 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, Defendant estimates that, as of the date of this Settlement Agreement, there are 2,676 Class Members and 120,500 Total Workweeks during the Class period and there were 1,885 Aggrieved Employees who worked 37,715 Pay Periods during the PAGA Period. Should the qualifying workweeks increase beyond 10% worked by the Class Members during the aforementioned period (i.e., by more than 12,050 workweeks), Defendant shall either (1) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above ten percent (10%), meaning Defendant will increase the Gross Settlement Amount by the percentage amount above ten percent (10%) (e.g., if the number of workweeks increases by 11%, the Total Settlement Amount will increase by one percent (1%)), or (2) Defendant has the option of closing the Release Period at up to 132,550 work weeks without triggering the escalator clause, at Defendant's sole discretion.

9. **DEFENDANT'S RIGHT TO WITHDRAW:** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be v*oid ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its

election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

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 that 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 under CCP Section 664.6 and as otherwise allowed by law to ensure the continuing implementation of the provisions of this settlement, including (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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and 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, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) 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 from a class member, or issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 Discussions with Media. Following preliminary approval of the Settlement, the Class Representatives and Class Counsel will not have any communications with the media other than to direct the media to the public records of the Action on file with the Court.

12.4 Non-Disparagement. The Class Representatives agree to refrain from making statements that are disparaging, demeaning or defamatory about Defendant, including Defendant's partners, customers, suppliers, or vendors, including but not limited to communications on social media websites such as Facebook, Twitter, LinkedIn, or Glassdoor on blogs, by text or email or other electronic means. This provision does not prohibit the Parties from making truthful statements about the terms or conditions of the Plaintiffs' employment.

12.5 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.

12.6 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.

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

12.8 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.

12.9 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.

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

12.11 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.

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

12.13 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.

12.14 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.

12.15 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.

12.16 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 Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.17 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.

12.18 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.

12.19 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
David Keledjian
d.keledjian@d.law
David Arakelyan
d.arakelyan@d.law
450 N. Brand Blvd., Suite 840
Glendale, CA 91203
Telephone: (818) 962-6465

To Defendant:
JACKSON LEWIS, L.P.
Trevor R. Witt
Trevor.Witt@jacksonlewis.com
Serena A. Limas
Serena.Limas@jacksonlewis.com
725 S. Figueroa St., Suite 2800
Los Angeles, CA 90017
Telephone: (213) 689 – 0404

12.20 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.

12.21 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.

PLAINTIFFS/CLASS REPRESENTATIVES

DATED: December 2, 2025

By: DocuSigned by: E8C787FDA9A245D
Plaintiff EVELYN THREETS

DATED: December 3, 2025

By: Signed by: Gary White 51F1A9C6CC0043B
Plaintiff GARY WHITE

DATED: December 4, 2025

By: DocuSigned by: C851C8848B1B4B4...
Plaintiff STEVE VILLALOBOS

DEFENDANT

DATED: ________, 2025

By:________________________________
Dr. Lena Miller
Authorized to sign on behalf of Defendant
URBAN ALCHEMY

APPROVED AS TO FORM:

DATED: ________, 2025

JACKSON LEWIS P.C.

By:________________________________
Trevor R. Witt
Serena A. Limas
Attorneys for Defendant
URBAN ALCHEMY

12.21 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.

PLAINTIFFS/CLASS REPRESENTATIVES

DATED: _________, 2025 By:_______________________________
Plaintiff EVELYN THREETS

DATED: _________, 2025 By:_______________________________
Plaintiff GARY WHITE

DATED: _________, 2025 By:_______________________________
Plaintiff STEVE VILLALOBOS

DEFENDANT

DATED: ________, 2025 By: Dr Lena Miller
Lena Miller (Dec 4, 2025 12:52:50 PST)
Dr. Lena Miller
Authorized to sign on behalf of Defendant
URBAN ALCHEMY

APPROVED AS TO FORM:

DATED: ________, 2025 JACKSON LEWIS P.C.

Serena Limas
By: Serena Limas (Dec 5, 2025 09:59:45 PST)
Trevor R. Witt
Serena A. Limas
Attorneys for Defendant
URBAN ALCHEMY

DATED: December 4, 2025

DLAW, INC.

By:______________________________
David Yeremian
David Keledjian
David Arakelyan
Attorneys for Plaintiffs
EVELYN THREETS, GARY WHITE, and
STEVE VILLALOBOS

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

Evelyn Threets, et. al v. Urban Alchemy
Los Angeles Superior Court, Case No. 24STCV08943

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 Defendant Urban Alchemy ("Defendant") for alleged wage and hour violations. The Action was filed by former employees of Defendant, Plaintiffs Evelyn Threets, Gary White, and Steve Villalobos ("Plaintiffs") and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for Defendant during the Class Period (July 2, 2022 through July 31, 2025); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Defendant during the PAGA Period (April 9, 2023, to July 31, 2025) ("Aggrieved Employees").

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

Based on Defendant's 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 Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendant's 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 Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant 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 Defendant.

(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 Defendant, 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.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is ________________**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant 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) depends 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 Defendant's 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 Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, and failing to provide meal periods, rest breaks and accurate itemized wage statements. 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: David Yeremian, David Keledjian, David Arakelyan of D.Law, Inc. ("Class Counsel.")

Urban Alchemy strongly denies violating any laws or failing to pay any wages and contends its complied with all applicable laws.

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

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

In the meantime, Plaintiffs and Defendant 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 Defendant have negotiated a proposed Settlement that is subject to the Court's

Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount 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. Defendant Will Pay $1,150,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement Amount (GSA) into an account controlled by the Administrator of the Settlement according to the following schedule:

   The GSA shall be paid in four equal installment payments. Once the GSA is fully funded, the Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives' 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, Defendant will fund the GSA in accordance with the schedule and following the Effective Date, as defined in the Settlement Agreement submitted to the Court.

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 $383,333.33 (33.3% of the Gross Settlement to Class Counsel for attorneys' fees and up to $25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   b. Up to $10,000.00 in Class Representative Awards to each named Plaintiff for filing the Action, working with Class Counsel and representing the Class (totaling $30,000.00). The Class Representatives' Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.

   c. Up to $25,000.00 to the Administrator for services administering the Settlement.

d. Up to $100,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 35% 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 Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest, penalties etc. ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The 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 Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres").

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. 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 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 Defendant.

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 Defendant 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 to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, Apex Class Action Administration (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 Defendant has 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 Defendant 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 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, any and all claims involving any and all claims involving any alleged wage and hour violations, including without limitation, California Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 218, 218.5, 223, 226, 226.7, 510, 512, 516, 558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and/or failure to comply with all related obligations under the California Labor Code, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., including all claims for unpaid wages, overtime or double time wages, minimum wages, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, attorneys' fees, costs,

declaratory or injunctive relief, and restitution, as well as all other claims and allegations alleged in the Class Action during the Class Period. .

Except as set forth in Section 5 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 Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, 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 Defendant 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, and without limitation, California Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 218, 218.5, 223, 226, 226.7, 510, 512, 516, 558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, 2698 et seq., 2699 et seq., 2802, California Industrial Commission Wage Orders, and Business and Professions Code sections 17200, et seq., and including all claims for unpaid wages, overtime or double time wages, minimum wages, meal periods and meal period premiums, rest periods and rest period premiums, timely payment of wages during employment and at separation, wage statement penalties, recordkeeping penalties, penalties recoverable pursuant to the claims listed above (including civil penalties pursuant to PAGA), interest, fees, costs, as well as all other claims and allegations alleged in the PAGA Action during the PAGA Period

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 $25,000.00 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 Defendant's 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 Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek 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 Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as 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 *Evelyn Threets, et al v. Urban Alchemy.*, Los Angeles Superior Court, Case No. 24STCV08943, 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 Defendant are asking the Court to approve. At least 16 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 Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website apexclassaction.com or the Court's website https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access

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 as *Evelyn Threets, et al v. Urban Alchemy.*, Los Angeles Superior Court, Case No. 24STCV08943, and include your name, current address, telephone number, and approximate dates of employment for Defendant 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 __ of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012. 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 via Los Angeles County Superior Court Remote Appearances Link (https://lacc.lacourt.org/). 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 apexclassaction.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Settlement Administrator's website at apexclassaction.com 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://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access) and entering the Case Number for the Action, Case No. 24STCV08943. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Spring Street County Courthouse by calling (213) 310-7000.

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

Class Counsel:
D.Law, Inc.
Emil Davtyan
emil@d.law
David Yeremian
d.yeremian@d.law
David Keledjian
d.keledjian@d.law
David Arakelyan
d.arakelyand@d.law
450 N. Brand Blvd., Suite 840
Glendale, CA 91203
Telephone: (818) 962-6465

Settlement Administrator:
Name of Company: Apex Class Action Administration
Email Address: infor@apexclasasaction.com
Mailing Address: 18 Technology Drive, Suite 154, Irvine, CA 92618
Telephone: 800-355-0700
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 will have no way to recover the money.

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.

4930-2357-2056, v. 3

EXHIBIT 2

Subject: Thank you for submission of your PAGA Case.
Date: Tuesday, April 9, 2024 at 4:56:00 PM Pacific Daylight Time
From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
To: Jordan Floyd

Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

4/9/2024

LWDA Case No. LWDA-CM-1021356-24
Law Firm : D.Law
Plaintiff Name : Evelyn Threets, and other aggrieved employees, Gary White, and other aggrieved employees, Steve Villalobos, and other aggrieved employees
Employer: Urban Alchemy
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

PAGA New PAGA Claim Notice

Private Attorneys General Act (PAGA) - Filing

New PAGA Claim Notice

Your Information (Person Who is Filing)

Your First Name *
Jordan

Your Last Name *
Floyd

Firm Name (if any) *
D.Law
(Enter "in pro per" if you are representing yourself)

Your Email Address *
j.floyd@d.law

Your Street Name, Number and Suite/Apt *
880 E Broadway

Your Mobile Phone Number

Your City *
Glendale

Your Work Phone Number
818-962-6465

Your State *
California

Your Zip/Postal Code *
91205

Plaintiff Information

Plaintiff/Aggrieved Employee Name *
Evelyn Threets, and other aggrieved e

Plaintiff/Aggrieved Employee Occupation *
Non-exempt hourly employee

Plaintiff Information

Remove

Plaintiff/Aggrieved Employee Name *
Gary White, and other aggrieved empl

Plaintiff/Aggrieved Employee Occupation *
Non-exempt hourly employee

Plaintiff Information

Remove

Plaintiff/Aggrieved Employee Name *
Steve Villalobos, and other aggrieved

Plaintiff/Aggrieved Employee Occupation *
Non-exempt hourly employee

Add Additional Plaintiffs

Employer Information

Employer Entity Type

Corporation

Employer Name *

Urban Alchemy

Maximum 80 Character Limit

Employer Street Name, Number and Suite/Apt *

1035 Market Street, Suite 150

Employer City *

San Francisco

Employer State *

California

Employer Zip/Postal Code *

94103

Employer Industry *

Other

Employer Industry for "Other" *

Social Services

Add additional defendants

- [ ] Add any entity other than an individual
- [ ] Add an individual/sole proprietor employer

Notice General Information

Estimated Number of Employees Impacted by Violations *

51

Notice Violations - Check All that Apply *

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

Child Labor - Specify Ages

Provide Details of Other Violation *

California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.3, 2

Other(Maybe Multiple)

- [ ] Other Violation

PAGA Claim Type - Check All that Apply *

☑ **Notice asserts one or more Labor Code violations listed in Labor Code 2699.5- not curable subject to 2699.3(a)**

☐ **Notice asserts one or more OSHA violations subject to requirements of 2699.3(b)**

☐ **Includes one or more violations not listed in Labor Code 2699.5 - curable subject to 2699.3(c)**

Filing Fee

A filing fee of $75 is required to file a new PAGA claim notice.

IFP

☐ I wish to claim In Forma Pauperis and am attaching a Confidential Request to Waive Court Fees (Judicial Council Court Form FW-001) or similar form to this submission.

Billing information

Billing First Name *
David

Billing Last Name *
Yeremian

Billing Email *
j.floyd@d.law

Billing Phone
818-962-6465

Billing Street Name, Number and Suite/Apt *
880 E Broadway

Billing City *
Glendale

Billing State *
California

Billing Zip/Postal Code *
91205

Credit Card Type *
Visa

Credit Card Number *
4859486546729679

CVV Number *
087

Credit Card Expiration Month *
01
mm

Credit Card Expiration Year *
2029
yyyy

Notice and Other Attachments

PAGA Claim Notice (must be a .pdf) *

Choose File PAGA Letter (Threets).pdf

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

Choose File No file chosen

Add Another Attachment

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

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

☐ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Previous Page Submit

D.Law

880 E. Broadway
Glendale, CA 91205

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

April 9, 2024

VIA ON-LINE SUBMISSION AND MAIL:
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

Urban Alchemy
Lena Miller
1035 Market Street, Suite 150
San Francisco, California 94103
Certified Mail Tracking Number: 9414 8112 0620 4379 1680 19

LWDA Case No.: LWDA-CM-1021356-24

Re: Labor Code § 2698, *et seq*. Penalties – PAGA Notice Letter to the LWDA
Evelyn Threets, Gary White, and Steve Villalobos v. Urban Alchemy

Gentlepersons:

This office represents Plaintiffs Evenlyn Threets, Gary White, and Steve Villalobos ("Plaintiffs") and other similarly situated aggrieved employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 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"). Unless specified below, Plaintiffs would like to bring a representative action, pursuant to the Act, on behalf of themselves and all other similarly situated, Aggrieved Employees, and the State of California, against Defendants, Urban Alchemy, 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 Plaintiffs' Class Action Complaint, which is attached hereto and incorporated by reference herein. The Complaint is being concurrently filed in Los Angeles County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiffs and all of their Aggrieved Employees in California. The Class Action Complaint provides the details of Plaintiffs' 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

Plaintiffs were employed by Defendants as a non-exempt hourly employee 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 (Plaintiffs and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees"). However, with regard to the allegations under Labor Code § 226(a) ***only***, Plaintiff expands the scope and definition of the Aggrieved Employees to all employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present.

Plaintiffs worked for Defendants as non-exempt employees during the relevant and statutory periods. Defendants had a common policy and practice of systemically failing to pay Plaintiffs and Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiffs and Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Plaintiffs and Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiffs and Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiffs contend this policy is not neutral and results, over time, to the detriment of the Plaintiffs and Aggrieved Employees by systematically undercompensating them.

Next, Plaintiffs and Aggrieved Employees were also consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Plaintiffs and Aggrieved Employees were systemically required to perform work prior to clocking for their scheduled shifts. Furthermore, Plaintiffs and Aggrieved Employees would regularly need to speak, email or text their supervisors off-the-clock regarding their work. Additionally, Defendants implemented a common policy and practice of requiring Plaintiffs and Aggrieved Employees to clock-out at the end of their scheduled shift times and continue working. Defendants also had a common policy and practice of altering Plaintiffs' and Aggrieved Employees' timecards to reflect only the scheduled shift, and not the actual hours worked, even if they worked before and after their scheduled shift. Also, Plaintiff and Aggrieved Employees were required to perform work related activities, including having keep and monitor their company radios and/or walkie-talkies, during unpaid meal periods.

The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid. This uncompensated time caused Plaintiffs and Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Plaintiffs and Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

Defendants had a common policy and practice of systemically denying Plaintiffs and Aggrieved Employees the opportunity to take meal periods in compliance with the California Law. Specifically, Plaintiffs and Aggrieved Employees were required to perform work and work-related activities, including having keep and monitor their company radios and/or walkie-talkies, during unpaid meal periods. Additionally, Plaintiffs and Aggrieved Employees were prohibited from leaving the work premises during meal periods and rest breaks, when such meal periods were taken. Plaintiffs and Aggrieved Employees would receive calls to return to the job site if they left the premises during meal breaks. Furthermore, due to understaffing and heavy workloads, Plaintiffs and Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Additionally, Plaintiffs and Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their tenth hour of work. Additionally, the uncompensated pre-shift work activities, discussed further delayed Plaintiffs' and Aggrieved Employees' meal periods to commence after the completion of their fifth and tenth hours of work.

Plaintiffs and Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights; and (3) Defendants' practice of requiring putative Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

Defendants had a common policy and practice of systemically denying Plaintiffs and Aggrieved Employees the opportunity to take rest periods in compliance with the California Law. Plaintiffs and Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Plaintiff and Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of requiring Plaintiff and Aggrieved Employees to remain on the premises during their rest breaks; (4) Defendants' policy and practice of requiring putative Aggrieved Employees to continue working through their rest breaks due to the excessive workload, including having keep and monitor their company radios and/or walkie-talkies, during rest breaks. Furthermore, Defendants failed to pay Plaintiffs and Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

Plaintiffs and Aggrieved Employees were not provided with accurate wage statements as mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing."

Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(9) as "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included.

Plaintiffs and Aggrieved Employees were not reimbursed for business expenses incurred in executing their duties under Defendant's employ. Specifically, Plaintiffs and Aggrieved Employees were required to pay the costs of their personal cellular phone plans for which Defendants required to communicate with Plaintiffs and Aggrieved Employees. Additionally, throughout the course of employment, some Plaintiffs and Aggrieved Employees personal cellular phones were destroyed and were never reimbursed. Furthermore, Plaintiffs and Aggrieved Employees occasionally had to use their own personal vehicles to get to job sites, which they were not reimbursed for gas and milage. Plaintiffs and Aggrieved Employees were not reimbursed for these necessary work-related expenses.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above and in further detail in the Class Action Complaint, the Aggrieved Employees complain of the following violations committed by Defendants:[1]

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.

---

[1] Plaintiffs hereby reserve the right to seek penalties on behalf of all Aggrieved Employees, for Defendants' violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

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 had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

Aggrieved Employees were consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Plaintiffs and Aggrieved Employees were systemically required to perform work prior to clocking for their scheduled shifts. Furthermore, Plaintiffs and Aggrieved Employees would regularly need to speak, email or text their supervisors off-the-clock regarding their work. Additionally, Defendants implemented a common policy and practice of requiring Plaintiffs and Aggrieved Employees to clock-out at the end of their scheduled shift times and continue working. Defendants also had a common policy and practice of altering Plaintiffs' and Aggrieved Employees' timecards to reflect only the scheduled shift, and not the actual hours worked, even if they worked before and after their scheduled shift. Also, Plaintiff and Aggrieved Employees were required to perform work related activities, including having keep and monitor their company radios and/or walkie-talkies, during unpaid meal periods.

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

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). 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, other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are 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. Specifically, Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above caused Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) 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 § 510 and applicable Wage Orders.

Defendants had a common policy and practice of systemically failing to pay Plaintiffs and Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiffs and Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Plaintiffs and Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiffs and Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiffs contend this policy is not neutral and results, over time, to the detriment of the Plaintiffs and Aggrieved Employees by systematically undercompensating them.

The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid. This uncompensated time caused Plaintiffs and Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Plaintiffs and Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

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 8, 10, and 12 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 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, Plaintiffs are 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 had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, Plaintiffs and Aggrieved Employees were required to perform work and work-related activities, including having keep and monitor their company radios and/or walkie-talkies, during unpaid meal periods. Additionally, Plaintiffs and Aggrieved Employees were prohibited from leaving the work premises during meal periods and rest breaks, when such meal periods were taken. Plaintiffs and Aggrieved Employees would receive calls to return to the job site if they left the premises during meal breaks. Furthermore, due to understaffing and heavy workloads, Plaintiffs and Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Additionally, Plaintiffs and Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their tenth hour of work. Additionally, the uncompensated pre-shift work activities, discussed further delayed Plaintiffs' and Aggrieved Employees' meal periods to commence after the completion of their fifth and tenth hours of work.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights; and (3) Defendants' practice of requiring putative Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

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.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are 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 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of requiring Plaintiffs and Aggrieved Employees to remain on the premises during their rest breaks; and (4) Defendants' policy and practice of requiring putative Aggrieved Employees to continue working through their rest breaks due to the excessive workload, including having keep and monitor their company radios and/or walkie-talkies, during rest breaks. Furthermore, Defendants failed to pay Plaintiffs and Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

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, Plaintiffs are 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 Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Plaintiffs and Aggrieved Employees were required to pay the costs of their personal cellular phone plans for which Defendants required to communicate with Plaintiffs and Aggrieved Employees. Additionally, throughout the course of employment, some Plaintiffs and Aggrieved Employees personal cellular phones were destroyed and were never reimbursed. Furthermore, Plaintiffs and Aggrieved Employees occasionally had to use their own personal vehicles to get to job sites, which they were not reimbursed for gas and milage. Aggrieved Employees were not reimbursed for these necessary work-related expenses in violation of Labor Code § 2802.

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 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 Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks. Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(9) as "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included.

Additionally, for the purposes of Subsection (a)(9), Plaintiffs seek to expand the scope of the Aggrieved Employees she seeks to represent to extend to all individuals employed by Defendants during the applicable period. The wage statements issued to Aggrieved Employees failed to state all applicable hourly rates for which Aggrieved Employees were paid as required by Labor Code § 226(a)(9).

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 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 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, 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, Plaintiffs assert PAGA claims for failure to provide the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for 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, 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, Plaintiffs assert 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).

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

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to 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 Class Action Complaint, Plaintiffs 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.

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, 227.3, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802, including as follows:

(a) Wage Claims: For failure to provide 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, failure to pay proper reporting time and sick pay 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 §§ 227.3, 510, 515, 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 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 the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code

§§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

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

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

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

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiffs allege have been violated, including the facts and relevant theories alleged against Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiffs respectfully request 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 the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

David Yeremian

Cc: **Urban Alchemy**, by Certified Mail