

1 Kane Moon (SBN 249834)
kane.moon@moonyanglaw.com
2 H. Scott Leviant (SBN 200834)
scott.leviant@moonyanglaw.com
3 Mariam Ghazaryan (SBN 341119)
mariam.ghazaryan@moonyanglaw.com

4 **MOON & YANG, APC**
1055 W. Seventh St., Suite 1880
5 Los Angeles, California 90017
Telephone: (213) 232-3128
6 Facsimile: (213) 232-3125

7 *Attorneys for Plaintiff*, GRISELDA GARCIA

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF LOS ANGELES

11
12 GRISELDA GARCIA, individually, and on
13 behalf of all others similarly situated,

14 Plaintiff,

15 vs.

16 RSG/AAMES SECURITY, INC., a California
17 corporation; and DOES 1 through 10, inclusive,

18 Defendants.

Case No.: 22STCV09615

CLASS ACTION

[Honorable Maren Nelson]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint filed: March 18, 2022

Trial date: Not set

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE**

2 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
3 Plaintiff GRISELDA GARCIA (“Plaintiff”) and Defendant RSG/AAMES SECURITY, INC
4 (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually
5 as “Party.”

6
7 **1. DEFINITIONS.**

- 8 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant
9 captioned *Garcia v. RSG/AAMES Security, Inc.* initiated on March 18, 2022 and pending
10 in Superior Court of the State of California, County of Los Angeles.
- 11 1.2. “Administrator” means Phoenix Settlement Administrators., the neutral entity the Parties
12 have agreed to appoint to administer the Settlement.
- 13 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
14 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
15 accordance with the Administrator’s “not to exceed” bid submitted to the Court in
16 connection with Preliminary Approval of the Settlement.
- 17 1.4. “Aggrieved Employee” means those current and former non-exempt employees who
18 worked for Defendant in California from March 18, 2021, until preliminary approval of the
19 class action portion of the settlement or September 30, 2023, whichever is earlier.
- 20 1.5. “Class” means all current and former non-exempt employees who worked for Defendant in
21 California during the Class Period.
- 22 1.6. “Class Counsel” means Moon & Yang, APC.
- 23 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean
24 the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees
25 and expenses, respectively, incurred to prosecute the Action.
- 26 1.8. “Class Data” means Class Member identifying information in Defendant’s possession
27 including the Class Member’s name, last-known mailing address, Social Security number,
28 and number of Class Period Workweeks and PAGA Pay Periods.

- 1 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a
2 Participating Class Member or Non-Participating Class Member (including a Non-
3 Participating Class Member who qualifies as an Aggrieved Employee).
- 4 1.10. “Class Member Address Search” means the Administrator’s investigation and search for
5 current Class Member mailing addresses using all reasonably available sources, methods
6 and means including, but not limited to, the National Change of Address database, skip
7 traces, and direct contact by the Administrator with Class Members.
- 8 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION
9 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be
10 mailed to Class Members in English, with Spanish translation, without material variation
11 unless otherwise agreed by the Parties, attached as **Exhibit A** and incorporated by
12 reference into this Agreement. The Parties, through counsel, may agree to modifications to
13 the Class Notice required to correct errors or effectuate changes required by the Court
14 without the need to amend this Agreement, and the revised Class Notice shall be
15 incorporated herein in place of the original Exhibit A.
- 16 1.12. “Class Period” means the period from June 18, 2019, until preliminary approval of the
17 class action portion of the settlement or September 30, 2023, whichever is earlier.
- 18 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action
19 seeking Court approval to serve as a Class Representative.
- 20 1.14. “Class Representative Service Payment” means the payment to the Class Representative
21 for initiating the Action and providing services in support of the Action.
- 22 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 23 1.16. “Defendant” means named Defendant RSG/AAMES Security, Inc.
- 24 1.17. “Defense Counsel” means Offit Kurman.
- 25 1.18. “Effective Date” means (a) the date the Court enters an Order approving the Resolution
26 if no objections are asserted and no individual seeks to intervene in the matter; or (b) 65
27 days after the date of entry of the Order of the court approving the Resolution if any
28 objections are asserted or any individual seeks to intervene in the matter but no appeal is

1 filed; or (c) if a timely appeal is made, ten (10) business days after the final resolution of
2 that appeal if the appeal is rejected, the settlement is upheld, and the settlement approval
3 order is no longer subject to further judicial review.

4 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

5 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of
6 the Settlement.

7 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval
8 of the Settlement.

9 1.22. “Gross Settlement Amount” means \$275,000.00 which is the total amount Defendant
10 agrees to pay under the Settlement except as provided in Paragraphs 3.1 and 8 below. The
11 Gross Settlement Amount will be used to pay Individual Class Payments, Individual
12 PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel
13 Expenses, Class Representative Service Payment and the Administrator’s Expenses.

14 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the
15 Net Settlement Amount calculated according to the number of Workweeks worked during
16 the Class Period.

17 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of
18 the PAGA Penalties calculated according to the number of Workweeks worked during the
19 PAGA Period.

20 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.

21 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency
22 entitled, under Labor Code § 2699(i).

23 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
24 under Labor Code § 2699(i).

25 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following
26 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA
27 PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment,
28 Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1 The remainder is to be paid to Participating Class Members as Individual Class Payments.

2 1.29. "Non-Participating Class Member" means any Class Member who opts out of the
3 Settlement by sending the Administrator a valid and timely Request for Exclusion.

4 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked
5 for Defendant for at least one day during the PAGA Period.

6 1.31. "PAGA Period" means the period from March 18, 2021, until preliminary approval of the
7 class action portion of the settlement or September 30, 2023, whichever is earlier.

8 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *Et seq.*).

9 1.33. "PAGA Notice" means Plaintiff's March 15, 2022 letter to Defendant and the LWDA
10 providing notice pursuant to Labor Code § 2699.3(a) attached hereto as **Exhibit B**.

11 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties (\$28,000) to be paid
12 from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees
13 (\$7,000.00) and the 75% to LWDA (\$21,000.00) in settlement of PAGA claims.

14 1.35. "Participating Class Member" means a Class Member who does not submit a valid and
15 timely Request for Exclusion from the Settlement.

16 1.36. "Plaintiff" means GRISELDA GARCIA, the named plaintiff in the Action.

17 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the
18 Settlement.

19 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval
20 and Approval of PAGA Settlement.

21 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2
22 below.

23 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3
24 below.

25 1.41. "Released Parties" means: Defendant, and any predecessor, successor, subsidiary, parent,
26 affiliated or related entity, and each of their present or past owners, shareholders,
27 employees, agents, directors, and/or officers, attorneys, insurers, predecessors, successors,
28 assigns and affiliates.

1 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be
2 excluded from the Class Settlement signed by the Class Member.

3 1.43. "Response Deadline" means 60 days after the Administrator mails Notice to Class
4 Members and Aggrieved Employees, and shall be the last date on which Class Members
5 may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email,
6 or mail his or her Objection to the Settlement. The Response Deadline for Class Members
7 to whom Notice Packets are resent after having been returned undeliverable to the
8 Administrator shall be extended by 14 calendar days beyond the original Response
9 Deadline.

10 1.44. "Settlement" means the disposition of the Action effected by this Agreement and the
11 Judgment.

12 1.45. "Workweek" means any week during which a Class Member worked for Defendant for at
13 least one day, during the Class Period.

14
15 **2. RECITALS.**

16 2.1. On March 18, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes
17 of action against Defendant for: (1) failure to pay minimum wages; (2) failure to pay all
18 overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and
19 permit all rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to
20 timely pay final wages at termination; (7) failure to provide accurate itemized wage
21 statements; and (8) unfair business practices. On May 24, 2022, Plaintiff filed a First
22 Amended Complaint alleging an additional cause of action against Defendant for violation
23 of PAGA. The First Amended Complaint is the operative complaint in the Action (the
24 "Operative Complaint") Defendant denies the allegations in the Operative Complaint,
25 denies any failure to comply with the laws identified in in the Operative Complaint and
26 denies any and all liability for the causes of action alleged.

27 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and
28 the LWDA by sending the PAGA Notice.

1 2.3. On March 23, 2023, the Parties participated in an all-day mediation presided over by Mark
2 Rudy, Esq., which led to this Agreement to settle the Action.

3 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, electronic time and pay
4 records, policy documents, Plaintiff's personnel file, and data about the class. Plaintiff's
5 investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v.*
6 *Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker*
7 *Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*"). Sample time and
8 pay data was provided for 68 Class Members, resulting in a margin of error on calculations
9 of 8.45%, at a 90% confidence interval.

10 2.5. The Court has not granted class certification.

11 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
12 other pending matter or action asserting claims that will be extinguished or affected by the
13 Settlement.

14
15 **3. MONETARY TERMS.**

16 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant
17 promises to pay \$275,000.00 and no more as the Gross Settlement Amount, and to
18 separately pay any and all employer payroll taxes owed on the Wage Portions of the
19 Individual Class Payments. Defendant has no obligation to pay the Gross Settlement
20 Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this
21 Agreement. The Administrator will disburse the entire Gross Settlement Amount without
22 asking or requiring Participating Class Members or Aggrieved Employees to submit any
23 claim as a condition of payment. None of the Gross Settlement Amount will revert to
24 Defendant.

25 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
26 following payments from the Gross Settlement Amount, in the amounts specified by the
27 Court in the Final Approval:

28 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of

1 not more than \$7,500.00, in addition to any Individual Class Payment and any
2 Individual PAGA Payment the Class Representative is entitled to receive as a
3 Participating Class Member. Defendant will not oppose Plaintiff's request for a
4 Class Representative Service Payment that does not exceed this amount. As part of
5 the motion for Class Counsel Fees Payment and Class Litigation Expenses
6 Payment, Plaintiff will seek Court approval for any Class Representative Service
7 Payments no later than 16 court days prior to the Final Approval Hearing. If the
8 Court approves a Class Representative Service Payment less than the amount
9 requested, the Administrator will retain the remainder in the Net Settlement
10 Amount. The Administrator will pay the Class Representative Service Payment
11 using IRS Form 1099. Plaintiff assumes full responsibility and liability for
12 employee taxes owed on the Class Representative Service Payment.

13 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%,
14 which is currently estimated to be \$91,666.67 and a Class Counsel Litigation
15 Expenses Payment of not more than \$24,000.00. Defendant will not oppose
16 requests for these payments provided that do not exceed these amounts. Plaintiff
17 and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class
18 Litigation Expenses Payment no later than 16 court days prior to the Final
19 Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a
20 Class Counsel Litigation Expenses Payment less than the amounts requested, the
21 Administrator will allocate the remainder to the Net Settlement Amount. Released
22 Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel
23 arising from any claim to any portion any Class Counsel Fee Payment and/or Class
24 Counsel Litigation Expenses Payment. The Administrator will pay the Class
25 Counsel Fees Payment and Class Counsel Expenses Payment using one or more
26 IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes
27 owed on the Class Counsel Fees Payment and the Class Counsel Litigation
28 Expenses Payment and holds Defendant harmless, and indemnifies Defendant,

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

3 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
4 \$10,000.00 except for a showing of good cause and as approved by the Court. To
5 the extent the Administration Expenses are less or the Court approves payment less
6 than \$10,000.00, the Administrator will retain the remainder in the Net Settlement
7 Amount. In the event that the Settlement based on this Agreement, or any
8 subsequent amended agreement that the Parties may enter into for the purpose of
9 addressing Court-directed revisions to the Agreement, is not approved by the
10 Court, and the Parties are unable to obtain approval of this or any subsequent terms
11 of settlement, the costs of administration actually incurred shall be paid by the
12 Parties in equal portions.

13 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by
14 (a) dividing the Net Settlement Amount by the total number of Workweeks worked
15 by all Participating Class Members during the Class Period and (b) multiplying the
16 result by each Participating Class Member's Workweeks.

17 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating
18 Class Member's Individual Class Payment will be allocated to settlement
19 of wage claims (the "Wage Portion"). The Wage Portions are subject to tax
20 withholding and will be reported on an IRS W-2 Form. The remaining
21 80% of each Participating Class Member's Individual Class Payment will
22 be allocated to settlement of claims for interest and penalties (the "Non-
23 Wage Portion"). The Non-Wage Portions are not subject to wage
24 withholdings and will be reported on IRS 1099 Forms. Participating Class
25 Members assume full responsibility and liability for any employee taxes
26 owed on their Individual Class Payment.

27 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
28 Class Payments. Non-Participating Class Members will not receive any

1 Individual Class Payments. The Workweeks of Non-Participating Class
2 Members are not included in the calculation of payments to Participating
3 Class Members and therefor have no effect on the calculation of Individual
4 Class Payments paid from the Net Settlement Amount.

5 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
6 \$28,000.00 to be paid from the Gross Settlement Amount, with 75% (\$21,000.00)
7 allocated to the LWDA PAGA Payment and 25% (\$7,000.00) allocated to the
8 Individual PAGA Payments.

9 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a)
10 dividing the amount of the Aggrieved Employees' 25% share of PAGA
11 Penalties (\$7,000.00) by the total number of PAGA Period Pay Periods
12 worked by all Aggrieved Employees during the PAGA Period and (b)
13 multiplying the result by each Aggrieved Employee's PAGA Period Pay
14 Periods. Aggrieved Employees assume full responsibility and liability for
15 any taxes owed on their Individual PAGA Payment.

16 3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested,
17 the Administrator will allocate the remainder to the Net Settlement
18 Amount. The Administrator will report the Individual PAGA Payments on
19 IRS 1099-MISC Forms.

20
21 **4. SETTLEMENT FUNDING AND PAYMENTS.**

22 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records
23 to date, Defendant estimates there are 235 Class Members who collectively worked a total
24 of 11,030 Workweeks, and 208 Aggrieved Employees who worked a total of
25 approximately 2,953 PAGA Pay Periods.

26 4.2. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the
27 Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in
28

1 the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
2 Administrator must maintain the Class Data in confidence, use the Class Data only for
3 purposes of this Settlement and for no other purpose, and restrict access to the Class Data
4 to Administrator employees who need access to the Class Data to effect and perform under
5 this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it
6 discovers that the Class Data omitted class member identifying information and to provide
7 corrected or updated Class Data as soon as reasonably feasible. Without any extension of
8 the deadline by which Defendant must send the Class Data to the Administrator, the
9 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or
10 otherwise resolve any issues related to missing or omitted Class Data.

11 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
12 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll
13 taxes by transmitting the funds to the Administrator no later than 30 days after the
14 Effective Date, or March 31, 2024, whichever is later.

15 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the
16 Gross Settlement Amount, the Administrator will mail checks for all Individual Class
17 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
18 Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel
19 Litigation Expenses Payment, and the Class Representative Service Payment.
20 Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
21 Payment and the Class Representative Service Payment shall not precede disbursement of
22 Individual Class Payments and Individual PAGA Payments.

23 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
24 Individual PAGA Payments and send them to the Class Members via First Class
25 U.S. Mail, postage prepaid. The face of each check shall prominently state the
26 date (not less than 180 days after the date of mailing) when the check will be
27 voided. The Administrator will cancel all checks not cashed by the void date. The
28 Administrator will send checks for Individual Settlement Payments to all

1 Participating Class Members (including those for whom Class Notice was returned
2 undelivered). The Administrator will send checks for Individual PAGA Payments
3 to all Aggrieved Employees including Non-Participating Class Members who
4 qualify as Aggrieved Employees (including those for whom Class Notice was
5 returned undelivered). The Administrator may send Participating Class Members a
6 single check combining the Individual Class Payment and the Individual PAGA
7 Payment. Before mailing any checks, the Settlement Administrator must update
8 the recipients' mailing addresses using the National Change of Address Database.

9 4.4.2. The Administrator must conduct a Class Member Address Search for all other
10 Class Members whose checks are returned undelivered without USPS forwarding
11 address. Within 7 days of receiving a returned check the Administrator must re-
12 mail checks to the USPS forwarding address provided or to an address ascertained
13 through the Class Member Address Search. The Administrator need not take
14 further steps to deliver checks to Class Members whose re-mailed checks are
15 returned as undelivered. The Administrator shall promptly send a replacement
16 check to any Class Member whose original check was lost or misplaced, requested
17 by the Class Member prior to the void date.

18 4.4.3. For any Class Member whose Individual Class Payment check or Individual
19 PAGA Payment check is uncashed and cancelled after the void date, the
20 Administrator shall transmit the funds represented by such checks to the California
21 Controller's Unclaimed Property Fund in the name of the Class Member thereby
22 leaving no "unpaid residue" subject to the requirements of California Code of Civil
23 Procedure § 384(b).

24 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall
25 not obligate Defendant to confer any additional benefits or make any additional
26 payments to Class Members (such as 401(k) contributions or bonuses) beyond
27 those specified in this Agreement.
28

1 **5. RELEASES OF CLAIMS.**

2 Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all
3 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class
4 Members, and Class Counsel will release claims against all Released Parties as follows:

5 5.1. Plaintiff's Release.

6 5.1.1. Scope of Plaintiff's Release. Plaintiff and his or her respective former and present
7 spouses, representatives, agents, attorneys, heirs, administrators, successors, and
8 assigns generally, release and discharge Released Parties from all claims,
9 transactions, or occurrences, including, but not limited to: (a) all claims that were,
10 or reasonably could have been, alleged, based on the facts contained, in the
11 Operative Complaint and (b) all PAGA claims that were, or reasonably could have
12 been, alleged based on facts contained in the Operative Complaint and Plaintiff's
13 PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any
14 claims or actions to enforce this Agreement, or to any claims for vested benefits,
15 unemployment benefits, disability benefits, social security benefits, workers'
16 compensation benefits that arose at any time, or based on occurrences outside the
17 Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law
18 different from, or in addition to, the facts or law that Plaintiff now knows or
19 believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and
20 remain effective in all respects, notwithstanding such different or additional facts or
21 Plaintiff's discovery of them.

22 5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of
23 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions,
24 rights, and benefits, if any, of Section 1542 of the California Civil Code, which
25 reads:

26 **A general release does not extend to claims that the creditor or**
27 **releasing party does not know or suspect to exist in his or her favor**
28 **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.

1 5.2. Release by Participating Class Members: All Participating Class Members, on behalf of
2 themselves and their respective former and present representatives, agents, attorneys, heirs,
3 administrators, successors, and assigns, release Released Parties from (i) all claims that
4 were alleged, or reasonably could have been alleged, based on the Class Period facts stated
5 in the Operative Complaint, including:

- 6 a. Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and
7 1197];
- 8 b. Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198];
- 9 c. Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512];
- 10 d. Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7];
- 11 e. Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802];
- 12 f. Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203];
- 13 g. Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226];
- 14 h. Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and

15 Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not
16 release any other claims, including claims for vested benefits, wrongful termination,
17 violation of the Fair Employment and Housing Act, unemployment insurance, disability,
18 social security, workers' compensation, or claims based on facts occurring outside the
19 Class Period.

20 5.3. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on
21 behalf of themselves and their respective former and present representatives, agents,
22 attorneys, heirs, administrators, successors, and assigns, the Released Parties from all
23 claims for PAGA penalties that were alleged, or reasonably could have been alleged, based
24 on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice
25 attached here to **Exhibit B**.

26
27 **6. MOTION FOR PRELIMINARY APPROVAL.**

28 The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary

1 Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

2 6.1. Defendant’s Declarations in Support of Preliminary Approval. Within 14 days of the full
3 execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
4 Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual
5 or potential conflicts of interest with the Administrator, if any such actual or potential
6 conflicts exist. Similarly, if any other pending matter or action asserting claims will be
7 extinguished or adversely affected by the Settlement, Defendant shall prepare and deliver
8 to Class Counsel a signed Declaration from Defendant and Defense Counsel identifying
9 any other pending matter or action asserting claims that will be extinguished or adversely
10 affected by the Settlement. Alternatively, if such other actions are filed between the
11 execution of this Agreement and the filing of the Motion for Preliminary Approval and
12 become known to Defendant and Defense Counsel, Defense Counsel will advise Class
13 Counsel.

14 6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
15 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the
16 notice, and memorandum in support, of the Motion for Preliminary Approval that includes
17 an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA
18 Settlement under Labor Code § 2699(f)(2)); (ii) a draft proposed Order Granting
19 Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class
20 Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid
21 for administering the Settlement and attesting to its willingness to serve; competency;
22 operative procedures for protecting the security of Class Data; insurance coverage for any
23 data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or
24 potential conflicts of interest with Class Members; and the nature and extent of any
25 financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed
26 declaration from Plaintiff confirming willingness and competency to serve and disclosing
27 all facts relevant to any actual or potential conflicts of interest with Class Members, and/or
28 the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its

1 competency to represent the Class Members; its timely transmission to the LWDA of all
2 necessary PAGA documents (initial notice of violations (Labor Code § 2699.3(a)),
3 Operative Complaint (Labor Code § 2699(l)(1)), this Agreement (Labor Code §
4 2699(l)(2)); and, (vi) all facts relevant to any actual or potential conflict of interest with
5 Class Members and/or the Administrator. In their Declarations, Plaintiff and Class
6 Counsel Declarations shall aver that they are not aware of any other pending matter or
7 action asserting claims that will be extinguished or adversely affected by the Settlement or
8 disclose the existence of any such matters. Alternatively, if such other actions are filed
9 between the execution of this Agreement and the filing of the Motion for Preliminary
10 Approval and become known to Plaintiff and Plaintiff Counsel, Plaintiff Counsel will
11 advise Defense Counsel.

12 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
13 for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30
14 days after the full execution of this Agreement; obtaining a prompt hearing date for the
15 Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the
16 Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's
17 Preliminary Approval to the Administrator.

18 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
19 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
20 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
21 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does
22 not grant Preliminary Approval or conditions Preliminary Approval on any material
23 change to this Agreement, Class Counsel and Defense Counsel will expeditiously work
24 together on behalf of the Parties by meeting in person or by telephone, and in good faith, to
25 modify the Agreement and otherwise satisfy the Court's concerns.
26

27 **7. SETTLEMENT ADMINISTRATION.**

28 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement

1 Administrators to serve as the Administrators and verified that, as a condition of
2 appointment, Phoenix Settlement Administrators agree to be bound by this Agreement and
3 to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment
4 of Administration Expenses. The Parties and their Counsel represent that they have no
5 interest or relationship, financial or otherwise, with the Administrator other than a
6 professional relationship arising out of prior experiences administering settlements.

7 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
8 Identification Number for purposes of calculating payroll tax withholdings and providing
9 reports state and federal tax authorities.

10 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
11 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation §
12 468B-1.

13 7.4. Notice to Class Members.

14 7.4.1. No later than three (3) business days after receipt of the Class Data, the
15 Administrator shall notify Class Counsel that the list has been received and state
16 the number of Class Members, Aggrieved Employees, Workweeks, and Pay
17 Periods in the Class Data.

18 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days
19 after receiving the Class Data, the Administrator will send to all Class Members
20 identified in the Class Data, via first-class United States Postal Service (“USPS”)
21 mail, the Class Notice, with Spanish translation, substantially in the form attached
22 to this Agreement as **Exhibit A**. The first page of the Class Notice shall
23 prominently estimate the dollar amounts of any Individual Class Payment and/or
24 Individual PAGA Payment payable to the Class Member, and the number of
25 Workweeks and PAGA Pay Periods (if applicable) used to calculate these
26 amounts. Before mailing Class Notices, the Administrator shall update Class
27 Member addresses using the National Change of Address database.

28 7.4.3. Not later than three business days after the Administrator’s receipt of any Class

1 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
2 Class Notice using any forwarding address provided by the USPS. If the USPS
3 does not provide a forwarding address, the Administrator shall conduct a Class
4 Member Address Search, and re-mail the Class Notice to the most current address
5 obtained. The Administrator has no obligation to make further attempts to locate
6 or send Class Notice to Class Members whose Class Notice is returned by the
7 USPS a second time.

8 7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks
9 and/or Pay Periods, and Requests for Exclusion will be extended an additional 14
10 days beyond the 60 days otherwise provided in the Class Notice for all Class
11 Members whose notices are re-mailed. The Administrator will inform the Class
12 Member of the extended deadline with the re-mailed Class Notice.

13 7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
14 discovers any persons who believe they should have been included in the Class
15 Data and should have received Class Notice, the Parties will expeditiously meet
16 and confer in person or by telephone, and in good faith, in an effort to agree on
17 whether to include them as Class Members. If the Parties agree, such persons will
18 be Class Members entitled to the same rights as other Class Members, and the
19 Administrator will send, via email or overnight delivery, a Class Notice requiring
20 them to exercise options under this Agreement not later than 14 days after receipt
21 of Class Notice, or the deadline dates in the Class Notice, which ever are later.

22 7.5. Requests for Exclusion (Opt-Outs).

23 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
24 must send the Administrator, by fax, email, or mail, a signed written Request for
25 Exclusion not later than 60 days after the Administrator mails the Class Notice
26 (plus an additional 14 days for Class Members whose Class Notice is re-mailed).
27 A Request for Exclusion is a letter from a Class Member or his/her representative
28 that reasonably communicates the Class Member's election to be excluded from

1 the Settlement and includes the Class Member's name, address and email address
2 or telephone number. To be valid, a Request for Exclusion must be timely faxed,
3 emailed, or postmarked by the Response Deadline.

4 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
5 fails to contain all the information specified in the Class Notice. The Administrator
6 shall accept any Request for Exclusion as valid if the Administrator can reasonably
7 ascertain the identity of the person as a Class Member and the Class Member's
8 desire to be excluded. The Administrator's determination shall be final and not
9 appealable or otherwise susceptible to challenge. If the Administrator has reason to
10 question the authenticity of a Request for Exclusion, the Administrator may
11 demand additional proof of the Class Member's identity. The Administrator's
12 determination of authenticity shall be final as to the Parties, but a Class Member
13 whose Request for Exclusion is rejected by the Administrator may present a
14 challenge to that determination to the Court.

15 7.5.3. Every Class Member who does not submit a timely and valid Request for
16 Exclusion is deemed to be a Participating Class Member under this Agreement,
17 entitled to all benefits and bound by all terms and conditions of the Settlement,
18 including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3
19 of this Agreement, regardless whether the Participating Class Member actually
20 receives the Class Notice or objects to the Settlement.

21 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
22 Non-Participating Class Member and shall not receive an Individual Class
23 Payment or have the right to object to the class action components of the
24 Settlement. Because future PAGA claims are subject to claim preclusion upon
25 entry of the Judgment, Non-Participating Class Members who are Aggrieved
26 Employees are deemed to release the claims identified in Paragraph 5.3 of this
27 Agreement and are eligible for an Individual PAGA Payment.

28 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the

1 Administrator mails the Class Notice (plus an additional 14 days for Class Members whose
2 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay
3 Periods (if any) allocated to the Class Member in the Class Notice. The Class Member
4 may challenge the allocation by communicating with the Administrator via fax, email or
5 mail. The Administrator must encourage the challenging Class Member to submit
6 supporting documentation. In the absence of any contrary documentation, the
7 Administrator is entitled to presume that the Workweeks contained in the Class Notice are
8 correct so long as they are consistent with the Class Data. The Administrator's
9 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall
10 be final as to the Parties (although Defendant shall retain the right to correct erroneous
11 Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay
12 Period challenge is rejected by the Administrator may present the same evidence
13 supporting the Workweek and/or Pay Period challenge to the Court for review. The
14 Administrator shall promptly provide copies of all challenges to calculation of Workweeks
15 and/or Pay Periods to Defense Counsel and Class Counsel along with the Administrator's
16 determination regarding such challenges.

17 **7.7. Objections to Settlement.**

18 7.7.1. Only Participating Class Members may object to the class action components of
19 the Settlement and/or this Agreement, including contesting the fairness of the
20 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
21 Counsel Litigation Expenses Payment and/or Class Representative Service
22 Payment.

23 7.7.2. Participating Class Members may send written objections to the Administrator, by
24 fax, email, or mail. In the alternative, Participating Class Members may appear in
25 Court (or hire an attorney to appear in Court) to present verbal objections at the
26 Final Approval Hearing. A Participating Class Member who elects to send a
27 written objection to the Administrator must do so not later than 60 days after the
28 Administrator's mailing of the Class Notice (plus an additional 14 days for Class

1 Members whose Class Notice was re-mailed).

2 7.7.3. Non-Participating Class Members have no right to object to any of the class action
3 components of the Settlement.

4 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
5 performed or observed by the Administrator contained in this Agreement or otherwise.

6 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish
7 and maintain and use an internet website to post information of interest to Class
8 Members including the date, time and location for the Final Approval Hearing and
9 copies of the Settlement Agreement, Motion for Preliminary Approval, the
10 Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion
11 for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and
12 Class Representative Service Payment, the Final Approval and the Judgment. The
13 Administrator will also maintain and monitor an email address and a toll-free
14 telephone number to receive Class Member calls, faxes and emails.

15 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
16 promptly review on a rolling basis Requests for Exclusion to ascertain their
17 validity. Not later than five days after the expiration of the deadline for submitting
18 Requests for Exclusion, the Administrator shall email a list to Class Counsel and
19 Defense Counsel containing (a) the names and other identifying information of
20 Class Members who have timely submitted valid Requests for Exclusion
21 (“Exclusion List”); (b) the names and other identifying information of Class
22 Members who have submitted invalid Requests for Exclusion; (c) copies of all
23 Requests for Exclusion from Settlement submitted (whether valid or invalid).

24 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
25 reports to Class Counsel and Defense Counsel that, among other things, tally the
26 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
27 Requests for Exclusion (whether valid or invalid) received, objections received,
28 and challenges to Workweeks and/or Pay Periods received and/or resolved

1 (“Weekly Report”). The Weekly Reports must include the Administrator’s
2 assessment of the validity of Requests for Exclusion and attach copies of all
3 Requests for Exclusion and objections received. In addition to the Weekly
4 Reports, the Administrator shall report to the Parties when it has completed the
5 initial distribution of the Individual Class Payments and Individual PAGA
6 Payments to all individuals with valid addresses.

7 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
8 address and make decisions consistent with the terms of this Agreement on all
9 Class Member challenges over the calculation of Workweeks and/or Pay Periods.
10 The Administrator’s determination of each Class Member’s allocation of
11 Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although
12 Defendant shall retain the right to correct erroneous Class Data if subsequently
13 discovered), but a Class Member whose Workweek and/or Pay Period challenge is
14 rejected by the Administrator may present the same evidence supporting the
15 Workweek and/or Pay Period challenge to the Court for review.

16 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which
17 Plaintiff is required to file the Motion for Final Approval of the Settlement, the
18 Administrator will provide to Class Counsel and Defense Counsel, a signed
19 declaration suitable for filing in Court attesting to its due diligence and compliance
20 with all of its obligations under this Agreement, including, but not limited to, its
21 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing
22 of Class Notices, attempts to locate Class Members, the total number of Requests
23 for Exclusion from Settlement it received (both valid or invalid), the number of
24 written objections and attach the Exclusion List. The Administrator will
25 supplement its declaration as needed or requested by the Parties and/or the Court.
26 Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

27 7.8.6. Final Report by Settlement Administrator. Within 14 days after the Administrator
28 disburses all funds in the Gross Settlement Amount, the Administrator will provide

1 Class Counsel and Defense Counsel with a final report detailing its disbursements
2 by employee identification number only of all payments made under this
3 Agreement. At least 14 days before any deadline set by the Court, the
4 Administrator will prepare, and submit to Class Counsel and Defense Counsel, a
5 signed declaration suitable for filing in Court attesting to its disbursement of all
6 payments required under this Agreement. Class Counsel is responsible for filing
7 the Administrator's declaration in Court.
8

9 **8. ESCALATOR CLAUSE**

10 In the event of an increase in workweeks of more than 10% from original estimate of 11,030 workweeks
11 worked by employees during the Class Period, (i.e., exceeds 12,133 workweeks), Defendant will either (a)
12 increase the GSA by a pro-rata dollar value equal to the number of workweeks in excess of 12,133
13 workweeks, or (b) elect to set the end date for the Class Period on the date when the total workweeks for
14 the Class Period would be 12,133.
15

16 **9. DEFENDANT'S RIGHT TO WITHDRAW.**

17 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all
18 Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties
19 agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect
20 whatsoever, and that neither Party will have any further obligation to perform under this Agreement;
21 provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses
22 incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not
23 later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late
24 elections will have no effect.
25

26 **10. MOTION FOR FINAL APPROVAL.**

27 Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a
28 motion for final approval of the Settlement that includes a request for approval of the PAGA settlement

1 under Labor Code § 2699(I), a Proposed Final Approval Order and a proposed Judgment (collectively
2 “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not
3 later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel
4 will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any
5 disagreements concerning the Motion for Final Approval.

6 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
7 a Participating Class Member, including the right to file responsive documents in Court no
8 later than five court days prior to the Final Approval Hearing, or as otherwise ordered or
9 accepted by the Court.

10 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
11 Approval on any material change to the Settlement (including, but not limited to, the scope
12 of release to be granted by Class Members), the Parties will expeditiously work together in
13 good faith to address the Court’s concerns by revising the Agreement as necessary to
14 obtain Final Approval. The Court’s decision to award less than the amounts requested for
15 the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
16 Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute
17 a material modification to the Agreement within the meaning of this paragraph.

18 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
19 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
20 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
21 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
22 law.

23 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
25 Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the
26 Parties, their respective counsel, and all Participating Class Members who did not object to
27 the Settlement as provided in this Agreement, waive all rights to appeal from the
28 Judgment, including all rights to post-judgment and appellate proceedings, the right to file

1 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The
2 waiver of appeal does not include any waiver of the right to oppose such motions, writs or
3 appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this
4 Agreement will be suspended until such time as the appeal is finally resolved and the
5 Judgment becomes final, except as to matters that do not affect the amount of the Net
6 Settlement Amount.

7 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
8 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
9 material modification of this Agreement (including, but not limited to, the scope of release
10 to be granted by Class Members), this Agreement shall be null and void. The Parties shall
11 nevertheless expeditiously work together in good faith to address the appellate court's
12 concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis,
13 any additional Administration Expenses reasonably incurred after remittitur. An appellate
14 decision to vacate, reverse, or modify the Court's award of the Class Representative
15 Service Payment or any payments to Class Counsel shall not constitute a material
16 modification of the Judgment within the meaning of this paragraph, as long as the Gross
17 Settlement Amount remains unchanged.

18
19 **11. AMENDED JUDGMENT.**

20 If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together
21 in good faith to jointly submit and a proposed amended judgment.

22
23 **12. ADDITIONAL PROVISIONS.**

24 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other
25 Purposes. This Agreement represents a compromise and settlement of highly disputed
26 claims. Nothing in this Agreement is intended or should be construed as an admission by
27 Defendant that any of the allegations in the Operative Complaint have merit or that
28 Defendant has any liability for any claims asserted; nor should it be intended or construed

1 as an admission by Plaintiff that Defendant's defenses in the Action have merit. The
2 Parties agree that class certification and representative treatment is for purposes of this
3 Settlement only. If, for any reason the Court does grant Preliminary Approval, Final
4 Approval or enter Judgment, Defendant reserves the right to contest certification of any
5 class for any reasons, and Defendant reserves all available defenses to the claims in the
6 Action, and Plaintiff reserves the right to move for class certification on any grounds
7 available and to contest Defendant's defenses. The Settlement, this Agreement and Parties'
8 willingness to settle the Action will have no bearing on, and will not be admissible in
9 connection with, any litigation (except for proceedings to enforce or effectuate the
10 Settlement and this Agreement).

11 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
12 Defense Counsel separately agree that, until the Motion for Preliminary Approval of
13 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize,
14 or cause or permit another person to disclose, disseminate or publicize, any of the terms of
15 the Agreement directly or indirectly, specifically or generally, to any person, corporation,
16 association, government agency, or other entity except: (1) to the Parties' attorneys,
17 accountants, or spouses, all of whom will be instructed to keep this Agreement
18 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to
19 appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in
20 response to an inquiry or subpoena issued by a state or federal government agency. Each
21 Party agrees to immediately notify each other Party of any judicial or agency order,
22 inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and
23 Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
24 other communication, before the filing of the Motion for Preliminary Approval, any with
25 third party regarding this Agreement or the matters giving rise to this Agreement except to
26 respond only that "the matter was resolved," or words to that effect. This paragraph does
27 not restrict Class Counsel's communications with Class Members in accordance with Class
28 Counsel's ethical obligations owed to Class Members.

- 1 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and
2 employees will not solicit any Class Member to opt out of or object to the Settlement, or
3 appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
4 Counsel's ability to communicate with Class Members in accordance with Class Counsel's
5 ethical obligations owed to Class Members.
- 6 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
7 together with its attached exhibits shall constitute the entire agreement between the Parties
8 relating to the Settlement, superseding any and all oral representations, warranties,
9 covenants, or inducements made to or by any Party.
- 10 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
11 represent that they are authorized by Plaintiff and Defendant, respectively, to take all
12 appropriate action required or permitted to be taken by such Parties pursuant to this
13 Agreement to effectuate its terms, and to execute any other documents reasonably required
14 to effectuate the terms of this Agreement including any amendments to this Agreement.
- 15 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
16 best efforts, in good faith, to implement the Settlement by, among other things, modifying
17 the Settlement Agreement, submitting supplemental evidence and supplementing points
18 and authorities as requested by the Court. In the event the Parties are unable to agree upon
19 the form or content of any document necessary to implement the Settlement, or on any
20 modification of the Agreement that may become necessary to implement the Settlement,
21 the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 22 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not
23 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause
25 of action, or right released and discharged by the Party in this Settlement.
- 26 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
27 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
28 relied upon as such within the meaning of United States Treasury Department Circular 230

1 (31 CFR Part 10, as amended) or otherwise.

2 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
3 modified, changed, or waived only by an express written instrument signed by all Parties
4 or their representatives, and approved by the Court.

5 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the
6 benefit of, the successors of each of the Parties.

7 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
8 governed by and interpreted according to the internal laws of the state of California,
9 without regard to conflict of law principles.

10 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
11 this Agreement. This Agreement will not be construed against any Party on the basis that
12 the Party was the drafter or participated in the drafting.

13 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
14 during this Action and in this Agreement relating to the confidentiality of information shall
15 survive the execution of this Agreement.

16 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
17 Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class
18 Counsel by Defendant in connection with the mediation, other settlement negotiations, or
19 in connection with the Settlement, may be used only with respect to this Settlement, and no
20 other purpose, and may not be used in any way that violates any existing contractual
21 agreement, statute, or rule of court. Not later than 90 days after the date when the Court
22 discharges the Administrator's obligation to provide a Declaration confirming the final pay
23 out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class
24 Data received from Defendant.

25 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
26 inserted for convenience of reference only and does not constitute a part of this
27 Agreement.

28 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be

1 to calendar days. In the event any date or deadline set forth in this Agreement falls on a
2 weekend or federal legal holiday, such date or deadline shall be on the first business day
3 thereafter.

4 12.17. Notice. All notices, demands or other communications between the Parties in connection
5 with this Agreement will be in writing and deemed to have been duly given as of the third
6 business day after mailing by United States mail, or the day sent by email or messenger,
7 addressed as follows:

8 To PLAINTIFF:

9 Kane Moon
10 kane.moon@moonyanglaw.com
11 H. Scott Leviant
12 scott.leviant@moonyanglaw.com
13 Mariam Ghazaryan
14 mariam.ghazaryan@moonyanglaw.com
15 MOON & YANG, APC
16 1055 W. Seventh St., Suite 1880
17 Los Angeles, California 90017
18 Telephone: (213) 232-3128
19 Facsimile: (213) 232-3125

20 To DEFENDANT:

21 Deborah H. Petito, Esq.
22 Deborah.petito@offitkurman.com
23 Offit Kurman, P.C.
24 445 S. Figueroa Street, 18th Floor
25 Los Angeles, CA 90071
26 Telephone: (213) 629-5700
27 Facsimile: (213) 624-9441

28 12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts
by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement
shall be accepted as an original. All executed counterparts and each of them will be
deemed to be one and the same instrument if counsel for the Parties will exchange between
themselves signed counterparts. Any executed counterpart will be admissible in evidence
to prove the existence and contents of this Agreement.

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

1 further agree that upon the signing of this Agreement that pursuant to Code of Civil
2 Procedure § 583.330 to extend the date to bring a case to trial under Code of Civil
3 Procedure § 583.310 for the entire period of this settlement process.
4

5 **Plaintiff & Class Representative:**

6 Dated: May ____, 2023

By: _____
GRISELDA GARCIA

7
8 **Plaintiff's Counsel:**

9 Dated: May ____, 2023

MOON & YANG, APC

10 By: _____
11 Kane Moon
12 H. Scott Leviant
13 Mariam Ghazaryan
14 Attorneys for Plaintiff, GRISELDA GARCIA

15 **Defendant:**

16 Dated: May ____, 2023

RSG/AAMES Security, Inc

17 By: _____
18 Print Name
19 _____
20 Signature
21 _____
22 Title

23 **Defendant's Counsel:**

24 Dated: May ____, 2023

OFFIT KURMAN

25
26 By: _____
27 Deborah Petito
28 Attorneys for Defendant RSG/AAMES Security, Inc

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further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure § 583.330 to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

Plaintiff & Class Representative:

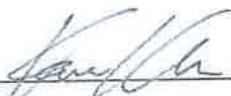
Dated: May 31, 2023

By: 
GRISELDA GARCIA

Plaintiff's Counsel:

Dated: May 31, 2023

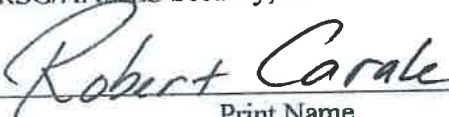

MOON & YANG, APC

By: 
Kane Moon
H. Scott Leviant
Mariam Ghazaryan
Attorneys for Plaintiff, GRISELDA GARCIA

Defendant:

Dated: May 14, 2023
June

RSG/AAMES Security, Inc

By: 
Print Name

Signature
C.O.O.
Title

Defendant's Counsel:

Dated: May 14, 2023
June

OFFIT KURMAN

By: 
Deborah Petito
Attorneys for Defendant RSG/AAMES Security, Inc

Exhibit “A”

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

Garcia v. RSG/AAMES Security, Inc., Case No. 22STCV09615

*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 coordinated employee class action lawsuits (“Action”) against defendant RSG/AAMES SECURITY, INC. (“RSG” or “Defendant”) for alleged wage and hour violations. The Action was filed by former RSG employee Griselda Garcia (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for RSG during the Class Period (June 18, 2019, until <<DATE>>); and, (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for RSG during the PAGA Period (March 18, 2021 to <<DATE>>) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring RSG to fund Individual Settlement Class Payments, and (2) a PAGA Settlement requiring RSG to fund Individual PAGA Settlement 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 \$ [REDACTED] (less withholding) and your Individual PAGA Settlement Payment is estimated to be \$ [REDACTED]. 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 Settlement Payment, then according to Defendant’s records you are not eligible for such a payment under the Settlement because you didn’t work during the covered period.)

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks or pay periods during any of the respective periods, 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 do 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 Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires RSG to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against RSG.

If you worked for RSG 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 Settlement Class Payment and/or an Individual PAGA Settlement Payment. As a Settlement Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against RSG.
- (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 Settlement Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against RSG, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Settlement Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

RSG 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

| | |
|---|---|
| <p>You Don't Have to Do Anything to Participate in the Settlement</p> | <p>If you do nothing, you will be a Settlement 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 RSG that are covered by this Settlement (Released Claims).</p> |
| <p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is [REDACTED]</p> | <p>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.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. RSG must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p> |
| <p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by [REDACTED]</p> | <p>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 Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p> |
| <p>You Can Participate in the [REDACTED] Final Approval Hearing</p> | <p>The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. 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.</p> |
| <p>You Can Challenge the Calculation of Your Workweeks/Pay Periods</p> <p>Written Challenges Must be Submitted by [REDACTED]</p> | <p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to RSG's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.</p> |

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former RSG employee. The Action accuses RSG of violating California labor laws by failing to pay overtime wages, minimum and straight time wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Moon Law Group, PC ("Class Counsel.")

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

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

So far, the Court has made no determination whether RSG or Plaintiff are correct on the merits. In the meantime, Plaintiff and RSG hired an experienced, neutral mediator, Mark Rudy, Esq., in an effort to resolve the Action by negotiating and 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, Plaintiff and RSG 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, RSG does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) RSG 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. RSG Will Pay \$275,000.00 as the Gross Settlement Amount (Gross Settlement). RSG has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsels' 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, RSG will fund the Gross Settlement no later than 30 days after the Effective Date, or March 31, 2024, whichever is later. The Effective Date will occur on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff 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 \$91,666.67 (33 and 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$24,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$7,500.00 for the Class Representative Service Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment, and any Individual PAGA Payment.
- C. Up to an estimated \$10,000.00 to the Administrator for services administering the Settlement.
- D. \$28,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and RSG are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. RSG 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 Plaintiff and RSG 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 Settlement Payments and Individual PAGA Settlement Payments will show the date when the check expires (the void date). If you don't cash it by the void date, the check will be cancelled, and the funds will, pursuant to Unclaimed Property laws, be directed to the California State Controller's Office in your name.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], 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 [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, last four digits of the Class Member's Social Security 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 Settlement Payments but will preserve their rights to personally pursue wage and hour claims against RSG.

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 Settlement Payments and are required to give up their right to assert PAGA claims against RSG 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. Plaintiff and RSG have agreed that, in either case, the Settlement will be void: RSG will not pay any money and Class Members will not release any claims against RSG.

8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (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 and/or Pay Periods, mail and re-mail 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 RSG 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 another lawsuit against RSG or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including:

- a. Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197];
- b. Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198];
- c. Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512];
- d. Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7];
- e. Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802];
- f. Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203];
- g. Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226];
- h. Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and

Except as set forth in Section 5.3 of [the] 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 RSG has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against RSG, 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 RSG 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 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 attached to the Agreement as Exhibit B.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Settlement 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 Settlement Payments by (a) dividing \$7,000.00 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 RSG's records, are stated in the first page of this Notice. You have until [REDACTED] 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 RSG's calculation of Workweeks and/or Pay Periods based on RSG'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 Class Members) and RSG's Counsel.

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) and all Class Members who qualify as Aggrieved Employees, whether they opt out or not. The single check will combine the Individual Class Settlement 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 who is eligible as an Aggrieved Employee).

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, address and email address or 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 and identify the Action in a way that is clear. 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 [REDACTED], 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 Plaintiff and RSG are asking the Court to approve. At least 16 Court days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and a request for awards of Fees, Litigation Expenses and a Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and for awards of 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 Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. 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 and include your name, address and email address or telephone number 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 17 of the Los Angeles Superior Court, located at 312 North 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, Plaintiff, 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 Microsoft Teams, by going to <https://my.lacourt.org/laccwelcome> for instructions on how to do so. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything RSG and Plaintiff 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 Administrator's website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to www.lacourt.org/casesummary/ui/index.aspx?casetype=civil and entering the Case Number for the Action, 22STCV09615, as instructed on the web form.

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

Class Counsel:

Kane Moon
H. Scott Leviant
hsleviant@moonlawgroup.com
Mariam Ghazaryan
mghazaryan@moonlawgroup.com
MOON LAW GROUP, PC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128

Settlement Administrator:

Name of Company: Phoenix Settlement Administrators
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit “B”

MOON & YANG, APC

ATTORNEYS AT LAW
WWW.MOONYANGLAW.COM

1055 W. SEVENTH ST., SUITE 1880
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Kane Moon, Esq.
Kane.Moon@moonyanglaw.com

March 15, 2022

VIA ONLINE SUBMISSION

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

VIA CERTIFIED MAIL

RSG/AAMES Security, Inc.
2700 Junipero Avenue
Signal Hill, CA 90755

Notice of Labor Code Violations and PAGA Penalties

Re: *Griselda Garcia v. RSG/AAMES Security, Inc.*

To Whom It May Concern:

Please be advised that my office has been retained by Griselda Garcia (“Plaintiff”) to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, RSG/AAMES Security, Inc. (“Defendant”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant’s aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff’s Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiff worked for Defendant as a general laborer from approximately June 2021 to January 2022, primarily in Los Angeles County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and in excess of 8 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is 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.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including all overtime wages. Defendants regularly use a system of time rounding in a manner that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendants' operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. As a result, Defendants frequently paid Plaintiff and the Aggrieved Employees less than all their work time, some of which should have been paid at the overtime rate. Also throughout the statutory period, Plaintiff and the Aggrieved Employees were required to work "off the clock", uncompensated. For example, Plaintiff and the Aggrieved Employees were required to drive from one location to another, without compensation. Also throughout the statutory period, Plaintiff and the Aggrieved Employees were required to work "off the clock" and uncompensated. For example, Plaintiff and the Aggrieved Employees were required to undergo COVID screening prior to clocking into work each workday, off the clock and uncompensated, leading to underpayment to Plaintiff and the Aggrieved Employees. Plaintiff and the Aggrieved Employees were also required to wait in

line in order to clock into work each workday, off the clock and uncompensated, also leading to underpayment. Also throughout the statutory period, Plaintiff and the Aggrieved Employees received non-discretionary bonuses and other remuneration. However, Defendants failed to incorporate all remuneration when calculating the correct overtime rate of pay, leading to underpayment of wages. In maintaining a practice of not paying all wages owed, Defendants failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendant did not maintain accurate records of employee work periods, and therefore Defendant cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement, which included the purchase of masks. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for

Defendant, and Defendant has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Pay All Accrued Vacation Wages at Termination

Labor Code § 227.3 requires employers to pay employees for all unused vested vacation time at their final rate of pay upon termination of their employment.

During the statutory period, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees the correct amount of vacation pay owed at the termination of employment. For instance, when Plaintiff's employment with Defendant terminated, he was owed vacation wages at his true final wage rate on his final pay check from Defendant even though he had accrued unused vacation time. On information and belief, Defendant's failure to pay Plaintiff the correct amount of vacation pay was not a single, isolated incident, but was instead part of Defendant's policy and practice that applied to the Aggrieved Employees.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to pay all accrued vacation wages at termination.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate

until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is 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) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Lab. Code § 226(e)(1).)

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code § 227.3 by failing to pay all vacation wages at termination;
7. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
8. Labor Code § 226 by failing to provide accurate itemized wage statements; and
9. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

MOON & YANG, APC



Kane Moon, Esq.
Attorney at Law