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	12	SUPERIOR COURT OF THE	STATE OF CALIFORNIA			
	13	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF CONTRA COSTA				
	14					
	15 16 17 18 19	ISMAIL ALAMMARI, individually and on behalf of all others similarly situated; JEREMY D'AMBROSIO, individually and on behalf of all others similarly situated;  Plaintiffs, v.	Case No.: MSC19-02640  CLASS ACTION CASE  [PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT,			
	20	OCEAN CITIES PIZZA, INC., a California	CERTIFICATION OF A SETTLEMENT CLASS, AND APPROVAL OF CLASS			
	21	corporation; HOME COUNTY PIZZA, INC., a California corporation; HISHMEH	REPRESENTATIVES, CLASS COUNSEL,			
	22	ENTERPRISES, INC., a California corporation; CENTRAL CITIES PIZZA, INC., a California	AND CLASS NOTICE			
	23	corporation; TEAM SO-CAL, INC., a California	Date: September 26, 2024			
	24	corporation; DOES 1-100, inclusive;	Time: 9:00 a.m. Dept.: 12			
	25	Defendants.	Judge: Hon. Charles S. Treat			
	26		Action Filed: December 18, 2019 Trial Date: Not Set			
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# ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

The Motion for Preliminary Approval of a Settlement came before this Court, on September 26, 2024. The Court, having considered the proposed Settlement Agreement, attached hereto as **Exhibit**1, and the Exhibits attached thereto (hereafter collectively, the "Settlement Agreement"); having considered the Motion for Preliminary Approval of Class Action Settlement filed by Plaintiffs; having considered the respective points and authorities and declarations submitted by Plaintiffs in support thereof; and good cause appearing, HEREBY ORDERS THE FOLLOWING:

Plaintiffs Ismail Alammari and Jeremy D'Ambrosio move for preliminary approval of their class action and PAGA settlement with defendants Ocean Cities Pizza et al. The motion is granted.

# a. Background and Settlement Terms

Defendants are in the business of operating Domino's Pizza franchises. Plaintiffs worked for one or more defendants as food preparers or retail clerks.

Alammari's original complaint was filed on December 18, 2019, as a class and PAGA case. D'Ambrosio's PAGA complaint was filed on October 21, 2021, in Ventura County. Both courts granted motions to compel arbitration. In Alammari's case, however, the grant was of class wide arbitration, a result which was then affirmed by the court of appeal. The parties then agreed to go into mediation, resulting in this settlement.

The settlement would create a gross settlement fund of \$2,875,000. The class representative payments to the plaintiffs would be \$10,000 each. Attorney's fees would be \$1,006,250 (35% of the settlement). Litigation costs would not exceed \$60,000. The settlement administrator's costs are estimated at \$33,000. PAGA penalties would be \$250,000, resulting in a payment of \$187,500 to the LWDA. The net amount paid directly to the class members would be about \$1,505,750, not including distribution of PAGA penalties. The fund is non-reversionary. There are an estimated 7,303 class members. Based on the estimated class size, the average net payment for each class member is approximately \$206. The individual payments will vary considerably, however, because of the allocation formula prorating payments according to the number of weeks worked during the relevant

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time. The number of aggrieved employees for PAGA purposes is smaller, because the starting date of the relevant period is later.

The entire settlement amount will be deposited with the settlement administrator within 30 days after the effective date of the settlement.

The proposed settlement would certify a class of all current and former non-exempt employees employed at Defendants' California facilities between June 24, 2016 and November 29, 2023. For PAGA purposes, the period covered by the settlement is December 16, 2018 to November 29, 2023.

The class members will not be required to file a claim. Class members may object or opt out of the settlement. (Aggricved employees cannot opt out of the PAGA portion of the settlement.) Funds would be apportioned to class members based on the number of workweeks worked during the class period.

A list of class members will be provided to the settlement administrator within 15 days after preliminary approval. The administrator will use skip tracing as necessary. Various prescribed follow up steps will be taken with respect to mail that is returned as undeliverable. Settlement checks not cashed within 180 days will be cancelled, and the funds will be directed to the State Bar's Justice Gap Fund as a *cy pres* beneficiary.

The settlement contains release language covering all claims and causes of action, alleged or which could have reasonably been alleged based on the allegations in the operative pleading, including a number of specified claims. Under recent appellate authority, the limitation to those claims with the "same factual predicate" as those alleged in the complaint is critical. (Amaro v. Anaheim Arena Mgmt., LLC (2021) 69 Cal. App. 5th 521, 537 ("A court cannot release claims that are outside the scope of the allegations of the complaint.") "Put another way, a release of claims that goes beyond the scope of the allegations in the operative complaint' is impermissible." (ld., quoting Marshall v. Northrop Grumman Corp. (C.D. Cal.2020) 469 F.Supp.3d 942, 949.)

Formal discovery was undertaken, resulting in the production of substantial documents. The matter settled after arms-length negotiations, which included a session with an experienced mediator.

Counsel also has provided an analysis of the case, and how the settlement compares to the potential value of the case, after allowing for various risks and contingencies. For example, much of PAYTON EMPLOYMENT LAW, PC CALIFORNIA EMPLOYMENT LITIGATION 3807 W. SIERRA HIGHWAY, SUITH 206, ACTON, CALIFORNIA 93510

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plaintiff's allegations centers on possible off-the-clock work, including missed or skipped meal breaks and rest breaks. Defendant, however, pointed out that its formal policies prohibit off-the-clock work, and asserted that it would have had no knowledge of employees beginning work before punching in or continuing after punching out. Further, it argued that it was required to make meal and rest breaks available, but not required to ensure that they be taken, so long as no employer policy prevented or discouraged taking such breaks. As to unreimbursed employee expenses (such as cell phone use, mileage, and masks), plaintiff would have been called on to show that such expenses were in fact incurred, were reasonably necessary to job performance, and were unreimbursed. Furthermore, the factintensive character of such claims would have presented a serious obstacle to class certification.

Plaintiffs also faced the problem that the relevant work force tended to work for short periods at low wages, making it harder to secure employees to testify.

The potential liability needs to be adjusted for various evidence and risk-based contingencies, including problems of proof. PAGA penalties are difficult to evaluate for a number of reasons: they derive from other violations, they include "stacking" of violations, the law may only allow application of the "initial violation" penalty amount, and the total amount may be reduced in the discretion of the court. (See Labor Code § 2699(e)(2) (PAGA penalties may be reduced where "based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust arbitrary and oppressive, or confiscatory.")) Morcover, recent decisions may make it difficult for PAGA plaintiffs to recover statutory penalties, as opposed to actual missed wages. (See, e.g., Naranjo v. Spectrum Security Services, Inc. (2024) 15 Cal.5th 1056.)

Counsel attest that notice of the proposed settlement was transmitted to the LWDA concurrently with the filing of the motion.

# b. Legal Standards

The primary determination to be made is whether the proposed settlement is "fair, reasonable, and adequate," under Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801, including "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the state of the proceedings, the experience and views of counsel, the presence

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of a governmental participant, and the reaction ... to the proposed settlement." (See also Amaro, 69 Cal.App.5th 521.)

Because this matter also proposes to settle PAGA claims, the Court also must consider the criteria that apply under that statute. Recently, the Court of Appeal's decision in Moniz v. Adecco USA, Inc. (2021) 72 Cal.App.5th 56, provided guidance on this issue. In Moniz, the court found that the "fair, reasonable, and adequate" standard applicable to class actions applies to PAGA settlements. (Id., at 64.) The Court also held that the trial court must assess "the fairness of the settlement's allocation of civil penalties between the affected aggrieved employees". (Id., at 64-65.)

California law provides some general guidance concerning judicial approval of any settlement. First, public policy generally favors settlement. (Neary v. Regents of University of California (1992) 3 Cal.4th 273.) Nonetheless, the court should not approve an agreement contrary to law or public policy. (Bechtel Corp. v. Superior Court (1973) 33 Cal. App. 3d 405, 412; Timney v. Lin (2003) 106 Cal. App. 4<sup>th</sup> 1121, 1127.) Moreover, "The court cannot surrender its duty to see that the judgment to be entered is a just one, nor is the court to act as a mere puppet in the matter." (California State Auto. Assn. Inter-Ins. Bureau v. Superior Court (1990) 50 Cal.3d 658, 664.) As a result, courts have specifically noted that Neary does not always apply, because "Where the rights of the public are implicated, the additional safeguard of judicial review, though more cumbersome to the settlement process, serves a salutatory purpose." (Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of America (2006) 141 Cal. App. 4th 48, 63.)

The settlement agreement includes an escalator provision, to be triggered in the event that the number of covered employees or work weeks turns out to be materially higher than now estimated. If the clause is triggered and the defendant elects to increase the total payment, no further approval will be needed. It does not include any express provision allowing the defendants to unilaterally cut back the class period to limit the number of employees and work weeks covered; rather, it allows for defendants to terminate the settlement altogether in lieu of increasing the total payment. The parties are cautioned, however, that in the event they seek to remedy a proposed defendant termination by modifying the settlement terms (such as by cutting back the covered period), it would be prudent to seek further approval from the Court before proceeding further.

# **Attorney Fees**

Plaintiff seeks 35% of the total settlement amount as fees, relying on the "common fund" theory. Even a proper common fund-based fee award, however, should be reviewed through a lodestar crosscheck. In Lafitte v. Robert Half International (2016) 1 Cal.5th 480, 503, the Supreme Court endorsed the use of a lodestar cross-check as a way to determine whether the percentage allocated is reasonable. It state "If the multiplier calculated by means of a lodestar cross-check is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." (Id., at 505.) Following typical practice, however, the fee award will not be considered at this time, but only as part of final approval.

Similarly, litigation and administration costs and the requested representative payment of \$10,000 each for the plaintiffs will be reviewed at time of final approval. Criteria for evaluation of representative payment requests are discussed in Clark v. American Residential Services LLC (2009) 175 Cal.App.4th 785, 804-07.

# c. Discussion and Conclusion

The Court finds that the settlement is sufficiently fair, reasonable, and adequate to justify preliminary approval.

Counsel will be directed to prepare an order reflecting this tentative ruling, the other findings in the previously submitted proposed order, and to obtain a hearing date for the motion for final approval from the Department clerk. Other dates in the scheduled notice process should track as appropriate to the hearing date. The ultimate judgment must provide for a compliance hearing after the settlement has been completely implemented. Plaintiffs' counsel are to submit a compliance statement one week before the compliance hearing date. Five percent of the attorney's fees are to be withheld by the claims administrator pending satisfactory compliance as found by the Court.

Effective January 2, 2025, this case is reassigned to Department 39 for all purposes.

The Court grants preliminary approval of the settlement as set forth in the Settlement Agreement and finds the terms to be within the range of reasonableness of a settlement that ultimately could be granted approval by the Court at the final Fairness Hearing. For purposes of the settlement, the Court

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finds that the proposed settlement class is ascertainable and that there is a sufficiently well-defined community of interest among the Class in questions of law and fact. Therefore, for settlement purposes only, the Court grants conditional certification of the following "Settlement Class" defined as follows:

All current and former non-exempt or hourly paid employees of Defendants that have worked for any one of the Defendants in the State of California at any time during the Class Period.

- For purposes of the settlement, the Court further designates named Plaintiffs Ismail Alammari 1. and Jeremy D'Ambrosio as Class Representatives, and the law firms of Infinity Law Group LLP, and Capstone Law APC, and Payton Employment Law, PC as Class Counsel.
- The Court confirms CPT Group, Inc. as the Claims Administrator. 2.
- 3. A final fairness hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class is scheduled in Department 12 of this Court, located at Wakefield Taylor Courthouse, 725 Court Street, Martinez, California 94553, on February 6, 2025, at 10.00 a.m.
- At the final fairness hearing, the Court will consider: (a) whether the settlement should be 4. approved as fair, reasonable, and adequate for the class; (b) whether a judgment granting approval of the settlement should be entered; (c) whether Plaintiff's application for an award of attorneys' fees, reimbursement of litigation expenses, and class representative enhancement should be granted; (d) whether a judgment granting approval of the class notice should be entered; and (e) whether the settlement class should be certified.
- 5. Counsel for the parties shall file memoranda, declarations, or other statements and materials in support of their request for final approval by no later than January 14, 2025.
- 6. Class Counsel shall file a motion for an award of attorneys' fees, reimbursement of litigation expenses and class representative enhancement by no later than January 14, 2025.
- 24 7. The Court approves, as to form and content, the Court Approved Notice of Class Action 25 Settlement and Hearing Date for Final Court Approval ("Notice") which is attached hereto as Exhibit 2.
- 26 8. The Notice Date shall commence no later than 30 calendar days after the date of this Order.
- 27 9. The class notice shall provide at least 60 calendar days from the Notice Date for a proposed 28 member of the Class to opt out of settlement, object to the settlement, or submit a claim form ("Close of

Claims Period").

- 2 10. The Court directs the mailing of the Notice by first class mail to the members of the Settlement 3 Class on the Notice Date.
  - 11. On or before the Notice Date, the Notice shall be made available on an internet website.
  - 12. On or before the Notice Date, the parties shall also set up a toll-free telephone number that Settlement Class members may call to obtain a copy of the Long Form Notice and Claim Form.
    - 13. The Court finds that the forms of notice to the Settlement Class regarding the pendency of the action and of this settlement, and the methods of giving notice to members of the Settlement Class, constitute the best notice practicable under the circumstances and constitute valid, due, and sufficient notice to all members of the Settlement Class. They comply fully with the requirements of California Code of Civil Procedure section 382, California Civil Code section 1781, California Rules of Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law.
    - 14. The Court further approves the procedures for Class Members to participate in, opt out of, or object to the Settlement, as set forth in the Settlement Agreement and Notice of Pendency of Class Action.
    - 15. To validly object to the Settlement Agreement, an objecting settlement class member must provide the following information in the written objection: (i) the objecting settlement class member's full name, current address, telephone number, and signature; (ii) the settlement class member's objections to the Settlement Agreement; (iii) the reasons for the settlement class member's objections; (iv) whether the settlement class member intends to appear at the Fairness Hearing with or without separate counsel; and (v) if the settlement class member intends to appear at the Fairness Hearing with separate counsel, the identities of all attorneys who will separately represent the settlement class member. In addition, any settlement class member objecting to the Settlement Agreement shall provide a list of any other objections submitted by the objector, or the objector's separate counsel, to any class action settlements submitted in any court in the United States, whether state, federal or otherwise, in the previous five years. If the settlement class member or the settlement class member's separate counsel has not objected to any other class action settlement in any court in the United States in the previous five years, the settlement class member shall affirmatively so state in the written objection.
  - 16. The procedures and requirements for filing objections in connection with the Fairness Hearing

- 17. Pending the Fairness Hearing, all proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement Agreement and this Order, are stayed.
- 18. Counsel for the parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the settlement which are not materially inconsistent with either this Order or the terms of the Settlement Agreement.
- 19. To facilitate administration of the Scttlement pending final approval, the Court hereby enjoins all Class Members from filing or prosecuting any claims, suits or administrative proceedings regarding claims released by the Settlement unless and until such Class Members have filed valid Requests for Exclusion with the Claims Administrator and the time for filing claims with the Claims Administrator has elapsed.

20. The Court orders the following Implementation Schedule for further proceedings.

Event	Timing
Last day for Defendants to provide class member data for preparation of the Notice.	October 11, 2024 (15 days after Preliminary Approval)
Notice Date: (i) last day for claims administrator to mail class notice and claim form to class members; (ii) last day to setup and make settlement website available to public; and (iv) last day to set up and make available toll-free telephone number.	October 31, 2024 (30 days after Preliminary Approval)
Last day for claims administrator to complete publication notice to class.	November 29, 2024 (30 days after Notice Date)
Close of Claims Period: (i) last day for class members to submit opt-outs and (ii) last day for class members to submit objections.	December 30, 2024 (60 days after Notice Date)

	1 2 3		Close of Claims Period: (i) last day for class members to submit opt-outs and ( last day for class members to submit objection for those class members whose initial Class Notice was returned as undeliverable.		
PAYTON EMPLOYMENT LAW, PC CALIFORNIA EMPLOYMENT LITIGATION 807 W. SIERRA HIGHWAY, SUITH 206, ACTON, CALIFORNIA 93510	5		Last day for Plaintiffs to respond to objections	January 14, 2025 (15 days after receipt of objection)	
	6 7		Last day for claims administrator to provide declaration of mailing of class notice.	December 16, 2024 (45 days after Notice Date)	
	8 9 10	ď	Last day for parties to file motion and supporting documents for final approval of class action settlement.	ng January 14, 2024 (16 court days before hearing on Final Approval)	
	11 12	7	Last day for class counsel to file motion for award of attorneys' fees, reimbursement of litigation expenses and class representative enhancement.	January 14, 2024 (16 court days before hearing on Final Approval)	
OYMENT LIT OYMENT LIT TE 206, ACTON	13 14		Last day for claims administrator to provide declaration of aggregate claim share amount.	January 30, 2025 (7 days before final approval hearing)	
PAYTON EMPLOYMENT LAW, PC ALIFORNIA EMPLOYMENT LITIGATION RRA HIGHWAY, SUITE 206, ACTON, CALIFOR	15 16 17		Hearing on final approval of class action settlement.	February 6, 2025, at  9:00 10:00 a.m. (approximately 95 days after Preliminary Approval)	
P CA 7 W. SIER	18	21. The Fairness Hearing and related prior deadlines set forth above may, from time to time and			
380.	19	without further notice to the Settlement Class (except those who have filed timely and valid objections),			
	20	be continued or adjourned by Order of the Court.			
	21	22.	A true and correct copy of the Court's tentative	ve ruling is attached here to as <b>Exhibit 3</b> .	
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	23	IT IS SO ORDERED.			
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	25	Dat	ed: OCT 3 1 2024	Clarke P. I sol	
	26		Ī	Hon. Charles S. Treat, Judge of the Superior Court	
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# **EXHIBIT 1**

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16	STIBEDIOD COLIDT OF T	HE STATE OF CALIFORNIA			
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18	FOR THE COUNTY OF CONTRA COST	`A - WAKEFIELD TAYLOR COURTHOUSE			
19					
20	ISMAIL ALAMMARI, individually and on behalf of all others similarly situated,	CASE NO.: MSC19-02640 [Unlimited Jurisdiction]			
21	Plaintiff,				
22	v.	JOINT STIPULATION OF CLASS ACTION			
23	OCEAN CITIES PIZZA, INC., a California	AND PAGA SETTLEMENT AND RELEASE			
24	corporation, HOME COUNTY PIZZA,	Assigned for all purposes to the			
25	INC., a California corporation; HISHMEH ENTERPRISES, INC., a California	Honorable Charles S. Treat, Dept. 42			
26	corporation; CENTRAL CITIES PIZZA, INC., a California corporation; DOES 1-100, inclusive,	Complaint Filed: December 18, 2019			
27	Defendants.	FAC Filed: February 25, 2020 Trial Date: None set.			
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IT IS HEREBY STIPULATED, by and between Plaintiffs ISMAIL ALAMMARI ("Alammari") and JEREMY D'AMBROSIO ("D'Ambrosio") as representatives of all Class Members and Aggrieved Employees defined below, and Defendants OCEAN CITIES PIZZA, INC. ("OCP"), HOME COUNTY PIZZA, INC. ("HCP"), CENTRAL CITIES PIZZA, INC. ("CCP"), HISHMEH ENTERPRISES, INC., and TEAM SO CAL, INC. (collectively, "Defendants") (Plaintiffs and Defendants are referred to collectively herein, as the "Parties"), and subject to the approval of the Court, the lawsuits filed in Contra Costa Superior Court, *Ismail Alammari*, et al., v. Ocean Cities Pizza, Inc. et al., Case No. CIVMSC19-02640 and in Ventura Superior Court, Jeremy D'Ambrosio v. Ocean Cities Pizza, Inc. et al., Case No. 56-2021-00559135-CU-OE-VTA (collectively, the "Action") are hereby compromised and settled pursuant to the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement and Release ("Agreement," "Settlement," or "Stipulation of Settlement") and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth-below, and-subject to the definitions, recitals, and terms-set-forth-herein-which-by-this reference become an integral part of this Stipulation of Settlement.

### 1. **DEFINITIONS.**

- 1.1. "Action" means the Plaintiff Alammari's lawsuit alleging wage and hour violations against Defendants captioned *Ismail Alammari*, et al, v. Ocean Cities Pizza, Inc. et al., Contra Costa Superior Court Case No. CIVMSC19-02640 initiated on December 18, 2019 and pending in Superior Court of the State of California, County of Contra Costa; and Plaintiff D'Ambrosio's lawsuit alleging wage and hour violations against Defendants captioned *Jeremy D'Ambrosio v. Ocean Cities Pizza*, Inc. et al., Ventura Superior Court Case No. 56-2021-00559135-CU-OE-VTA initiated on October 21, 2021 and pending in Superior Court of the State of California, County of Ventura.
- 1.2. "Administrator" means CPT Group, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in

accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

- 1.4. "Aggrieved Employee" means all current and former non-exempt or hourly paid employees of Defendants that have worked for any one of the Defendants in the State of California at any time during the PAGA Period.
- 1.5. "Class" means all current and former non-exempt or hourly paid employees of Defendants that have worked for any one of the Defendants in the State of California at any time during the Class Period.
- 1.6. "Class Counsel" means Chantal Payton and Rayne Brown of Payton Employment Law, PC; Ilya Filmus of Infinity Law Group LLP; and Raul Perez and Orlando Villalba of Capstone Law APC.
- 1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods and/or dates of employment.
- 1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form.

PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service

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the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

	1.34.	"PAGA Penalties" means the total amount of PAGA civil penalties to be paid
from th	ne Gross	s Scttlement Amount, allocated 25% to the Aggricved Employees (\$62,500) and
the 75%	% to LW	/DA (\$187,500) in settlement of PAGA claims.

- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. "Plaintiffs" means Ismail Alammari and Jeremy D'Ambrosio, the named plaintiffs in the Action.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- ——1.40. "Released PAGA-Claims" means the claims being released as described in-Paragraph 6.2 below.
- 1.41. "Released Parties" means: Defendants, and any past and present owners, officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, insurers, franchisors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parents of Defendants, as well as any individual or entity that could be alleged to be jointly liable with Defendants.
- 1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional

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14 calendar days beyond when the Response Deadline has expired.

- 1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period. All Class Members will be deemed to have worked during at least one Workweek during the Class Period.

#### 2. RECITALS.

2.1. On December 18, 2019, Plaintiff Alammari filed a putative class action and PAGA Complaint, individually and as the Class Action Representative on behalf of all "similarly situated" individuals who have worked for Defendants in California, any time from four years prior to the filing of the complaint through the resolution of the action, in Contra Costa County Superior Court, Case No. MSC19-02640. On February 24, 2020, Plaintiff Alammari filed a First Amended Complaint that alleged ten causes of action, including (1) Failure to Pay Overtime—Wages; (2) Failure to Pay Minimum Wages; (3) Liquidated Damages; (4) Failure-to-Provide Accurate Wage Statements; (5) Failure to Pay Final Wages; (6) Failure to Provide Meal Periods; (7) Failure to Provide Rest Periods; (8) Failure to Reimburse Business Expenses; (9) Unfair Business Practices; (10) and PAGA penalties.

On October 21, 2021, Plaintiff D'Ambrosio filed a PAGA Complaint against Defendants. Plaintiff Alammari's First Amended Complaint and Plaintiff D'Ambrosio's Complaint are collectively the operative complaint in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for any and all of the causes of action alleged therein.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On April 27, 2023, the Parties participated in an all-day mediation presided over by Marc J. Feder, which led to this Agreement to settle the Action.
  - 2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, information,

documents and sampling data with respect to the alleged Class and PAGA members. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

#### 3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants promise to pay Two Million Eight Hundred Seventy-Five Thousand Dollars and Zero Cents (\$2,875,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved-Employees-to-submit-any-claim-as-a-condition-of-payment. None-of-the-Gross-Settlement Amount will revert to Defendants.
- 3.2. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than Ten Thousand Dollars and Zero Cents (\$10,000), each (in addition to any Individual Class Payments and any Individual PAGA Payments the Class Representatives are entitled to receive as Participating Class Members). Defendants will not oppose Plaintiffs' requests for Class Representative Service Payments that do not exceed these amounts. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval of the Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments that are less than the amounts requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class

Representative Service Payments using IRS Forms 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be \$1,006,250.00 and a Class Counsel Litigation Expenses Payment of not more than \$60,000.00. Defendants will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more-IRS-1099-Forms-Class Counsel-assumes full responsibility and liability-for-taxes-owed-on-the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$33,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$33,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. All Participating Class Members will be deemed to have worked during at least one Workweek during the Class Period.
- 3.2.4.1. <u>Tax Allocation of Individual Class Payments.</u> 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage

claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penaltics (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

- 3.2.4.2. <u>Effect of Non-Participating Class Members on Calculation</u> of <u>Individual Class Payments</u>. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$250,000.000 to be paid from the Gross Settlement Amount, with 75% (\$187,500.00) allocated to the LWDA PAGA Payment and 25% (\$62,500.00) allocated to the Individual PAGA Payments.
- 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penaltics \$62,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. All Aggrieved Employees will be deemed to have worked during at least one PAGA Period Pay Period during the PAGA Period.
- 3.2.5.2. If the Court approves PAGA Penaltics of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. <u>Class Workweeks and Aggrieved Employee Pay Periods</u>. Based on a review of its records to date prior to mediation, Defendants estimated that there were approximately 7,703 Class Members who collectively worked a total of approximately 325,642 Workweeks, and

approximately 5,325 Aggricved Employees who worked a total approximately 112,116 PAGA Pay Periods from the Class and PAGA start periods through approximately April 26, 2023.

- 4.2. Class Data. Not later than 15 calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 30 calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S.

Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within-7-days-of-receiving a returned-check the Administrator-must re-mail checks-to-the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to The State Bar of California's Justice Gap Fund ("Cy Pres Recipient") consistent with Code of Civil Procedure Section 384, subd. (b). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in

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27 28 this Agreement.

- 6. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:
- 6.1 Plaintiffs' Releases. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and in the Action, including, but not limited to (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Liquidated Damages; (4) Failure to Provide Accurate Wage Statements; (5) Failure to Pay Final Wages; (6) Failure to Provide Meal Periods; (7) Failure to Provide Rest Periods; (8) Failure-to-Reimburse-Business-Expenses; (9)-Unfair-Business-Practices; (10) and PAGA penaltics, as well as claims under California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226(a), 226.3, 226.7, 256, 510, 512, 516, 558(a), 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2810.5, and 2802, IWC Wage Order No. 5-2001, and California Business and Professions Code section 17200, et seq., and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, or ascertained during the Action and released under 6.2, below ("Plaintiffs' Release."). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
  - 6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

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

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

- 6.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and in the Action and ascertained in the course of the Action, including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226(a), 226.3, 226.7, 256, 510, 512, 516, 558(a), 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2810.5, and 2802, IWC-Wage Order No. 5-2001, and California-Business and Professions Code section 17200, et seq. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.
- Release by Aggrieved Employees: 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 facts stated in the Operative Complaint and in the Action, the PAGA Notice, and ascertained in the course of the Action including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226(a), 226.3, 226.7, 256, 510, 512, 516, 558(a), 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2810.5, and 2802, and IWC Wage Order No. 5-2001.
- 7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare

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and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 7.1 <u>Plaintiffs' Responsibilities.</u> Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members and/or the proposed Cy Pres; and the nature and extent of any financial-relationship-with Plaintiff, Class Counsel-or-Defense-Counsel; (v) signed-declarations from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator and/or the proposed Cy Pres; (v) a signed declaration from each Class Counsel firm attesting to their competency to represent the Class Members; their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient.
- 7.2 <u>Responsibilities of Counsel</u>. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

# 8. SETTLEMENT ADMINISTRATION.

- 8.1 <u>Selection of Administrator</u>. The Parties have jointly selected CPT Group to serve as the Administrator and verified that, as a condition of appointment, CPT Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 <u>Employer Identification Number</u>. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

# 8.4 Notice to Class Members.

- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class

 Notice approved by the Court. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workwecks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 8.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and remail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or-Pay Periods, and-Requests for-Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via small or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

# 8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for

Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Aggrieved Employees may not opt out of the PAGA Settlement.

- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may—demand—additional—proof—of—the—Class—Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.
  - 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days

after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

# 8.7 Objections to Settlement.

- 8.7.1—Only Participating Class—Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- 8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).
- 8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 8.8 <u>Administrator Duties</u>. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
  - 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will

establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members-who-have-submitted-invalid-Requests for-Exclusion; (c) copies-of-all-Requests-for-Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 <u>Weekly Reports</u>. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator's Declaration. Not later than 14 days before the date by

which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any-deadline-set-by-the Court, the Administrator will prepare, and submit-to-Glass Counsel-and-Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

#### 9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE

Defendants estimated for purposes of mediation that there are 325,642 weeks worked by 7,703 Class Members for the period June 24, 2016, through March 26, 2023 ("Sample Period"). These numbers would be expected to increase proportionately for the passage of time through the Class Period End Date. Before the Parties seek or a Party seeks court approval of the Settlement, the Settlement Administrator will advise Plaintiffs' counsel of Defendants' report of the total number of weeks worked and Class Members during the Class Period and Sample Period. If the weeks worked and/or Class Members during the Sample Period exceeds the referenced 325,642 weeks worked and/or 7,703 Class Members by more than 10.00%, the Gross Settlement Amount, including attorney fees, will increase proportionally according to the number of additional weeks worked or Class Members. For example, if the number of weeks worked or

Class Members increases by 11%, the Gross Settlement Amount shall increase by 1%.

- 10. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
- 11. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed-Final Approval Order-and-a-proposed-Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.2 <u>Duty to Cooperate</u>. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation

Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 11.4 <u>Waiver of Right to Appeal</u>. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fces Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Scttlement; otherwise Class Counsel reserve the right to appeal a reduction to the amounts requested, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for-new-trial, extraordinary-writs, and appeals. The waiver of appeal-docs not-include any-waiver-of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

#### 13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint or Action have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

### 13.2 Confidentiality Prior to Preliminary Approval.

Plaintiffs and their counsel agree that they have not and will not publish the settlement in any form of media or any publication, including, but not limited to all forms of social media, which either references any of the Released Parties by name or Domino's or contains the word "pizza" and that the settlement shall remain fully confidential until preliminary approval. In response to any inquiries Plaintiffs will state that "the case was resolved." Plaintiffs' counsel is allowed to state the amount of the settlement on any platform consistent with this paragraph, so long as Plaintiffs and their counsel do not reference any of the Released Parties by name or Plaintiffs' names (Ismail Alammari and Jeremy D'Ambrosio) or Domino's or any disclosure that contains and/or references the words "pizza," "pizzas," or "pizza restaurant" or any words that

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would reference, indicate, and/or associate the Released Parties to the settlement. Plaintiffs' counsel shall not post or report Released Parties' names or Plaintiffs' names (Ismail Alammari and Jeremy D'Ambrosio) or any disclosure that contains and/or references the words "pizza," "pizzas," or "pizza restaurant" or any words that would reference, indicate, and/or associate the Released Parties to the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, Plaintiffs' counsel is authorized to make disclosures to the Court and the LWDA for the purposes of obtaining the approval of the settlement. This disclosure is limited to information in the public record, and neither Plaintiffs nor their counsel or representatives are permitted to publicly disseminate or publish, publicly distribute or publicly discuss the Released Parties' names, Plaintiffs' names (Ismail Alammari and Jeremy D'Ambrosio), Domino's, or the words "pizza," "pizzas," or "pizza restaurant" or any words that would reference, indicate, and/or associate the Released Parties in the context of this settlement, unless ordered otherwise by the Court. Notwithstanding the foregoing, Plaintiffs' counsel may include-the-settlement-(and/or-a-summary-of-the-settlement) in-future-declarations-filed in-supportof Plaintiffs' counsel's experience and/or adequacy to represent PAGA aggrieved employees or class members, or for court approval of comparable wage and hour settlements.

This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

- 13.3 <u>No Solicitation</u>. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4 <u>Integrated Agreement</u>. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
  - 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant

and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7 <u>No Prior Assignments</u>. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber-to-any-person-or-entity-and-portion-of-any-liability, elaim, demand, action, cause-of-action, or right released and discharged by the Party in this Settlement.
- 13.8 <u>No Tax Advice</u>. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9 <u>Modification of Agreement</u>. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10 <u>Agreement Binding on Successors</u>. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
  - 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and

preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 13.13 <u>Confidentiality</u>. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14 <u>Use and Return of Class Data</u>. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 13.15 <u>Headings</u>. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16 <u>Calendar Days</u>. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 <u>Notice</u>. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

ILYA FILMUS, SBN 251512 E-Mail ifilmus@infinitylawca.com

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1 2	DATE 1 20 2024	DI ATAMPIER
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7	1/31/2024	
8	DATE: January <u><b>31</b></u> , 2024	PLAINTIFF
9	·	DacuSigned by:
10		By: JEREMY D'AMBROSIO, PLAINTIFF
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13	DATE: January <u>31</u> , 2024	OCEAN CITIES PIZZA, INC.
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17	DATE: January <u>31</u> 2024	CENTRAL CITIES PIZZA, INC.
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19		By: NAME:
20		TIPLE:
21	DATE: January <b>31</b> , 2024	HOME COUNTY PIZZA, INC.
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24		NAME: TIPLE:
25	DATE: January 24, 2024	HISLIMED ENTEDDDISES INC
26	DATE: January <u>31</u> , 2024	HISHMEH ENTERPRISES, INC.
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28		NAME: TITLE:
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7	DATE: January <u>31</u> , 2024	FISHER & PHILLIPS LLP
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9	F	By: LONNIE D. GIAMELA
10		JOEL MOON Attorneys for Defendants
11		OCEAN CITIES PIZZA, INC.; HOME COUNTY PIZZA, INC.; HISHMEH
12		ENTERPRISES, INC.; CENTRAL CITIES PIZZA, INC.; and TEAM SO CAL, INC.
13		
14	DATE: January <u>30</u> , 2024	INFINITY LAW GROUP LLP
15		I Film
16		By: ILYA FILMUS
17		ASHAR AHMED Attorneys for Plaintiffs
18		ISMAIL ALAMMARI and JEREMY D'AMBROSIO and the putative class
19		
20	DATE: January <u>30,</u> 2024	PAYTON EMPLOYMENT LAW, PC
21		1 1-1
22		By: C. Vayton
23		CHANTAL MCCOY PAYTON Attorneys for Plaintiffs
24		ISMAIL ALAMMARI and JEREMY D'AMBROSIO and the putative class
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l	DATE: January 31, 2024 CAPSTONE LAW APC
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5	Attorneys for Plaintiffs ISMAIL ALAMMARI and JEREMY D'AMBROSIO and the putative class
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#### 1 PROOF OF SERVICE (CCP § 1013(a) and 2015.5) 2 I, the undersigned, am employed in the County of Los Angeles, State of California. I am 3 over the age of 18 and not a party to the within action; am employed with Fisher & Phillips LLP and my business address is 444 South Flower Street, Suite 1500, Los Angeles, California 90071. 4 On July 20, 2022, I served the foregoing document entitled JOINT STIPULATION OF 5 CLASS AND PAGA SETTLEMENT AND RELEASE on all the appearing and/or interested parties in this action by placing $\bigcap$ the original $\bigotimes$ a true copy thereof enclosed in sealed 6 envelope(s) addressed as follows: Ilva Filmus Attorneys for Plaintiff 7 INFINITY LAW GROUP LLP ISMAIL ÅLAMMARI 3450 Geary Blvd., Suite 210 8 San Francisco, CA 94118 Tel: (415) 426-3580 Fax: (415) 426-3581 Email: ifilmus@infinitylawca.com 9 Ashar Ahmed aahmed@infinitylawca.com INFINITY LAW GROUP LLP 10 111 Decrwood Road, Suite 200 San Ramon, CA 94583 11 Chantal McCoy Payton Attorneys for Plaintiff PAYTON EMPLOYMENT LAW, P.C. 12 ISMAIL ÅLAMMARI 3807 W. Sierra Highway, Suite 206 Tel: (661) 434-1144 Fax: (661) 434-1144 Acton, CA 93510 13 Email: cpayton@paytonemploymentlaw.com [by FEDERAL EXPRESS] - I am readily familiar with the firm's practice for collection 15 and processing of correspondence for overnight delivery by Federal Express. Under that practice such correspondence will be deposited at a facility or pick-up box regularly 16 maintained by Federal Express for receipt on the same day in the ordinary course of business with delivery fees paid or provided for in accordance with ordinary business 17 practices. 18 × by ELECTRONIC SERVICE] - Based on a court order or an agreement of the parties to accept service by electronic transmission, I electronically served the document(s) to 19 the person(s) at the electronic service address(es) listed above via File & ServeXpress. 20 [by PERSONAL SERVICE] - I caused to be delivered by messenger such envelope(s) by hand to the office of the addressec(s). Such messenger is over the age of eighteen 21 years and not a party to the within action and employed with Express Network, whose business address is 1605 W. Olympic Boulevard, Suite 800, Los Angeles, CA 90015. 22 I declare under penalty of perjury under the laws of the State of California that the 23 foregoing is true and correct. 24 Executed July 20, 2022, at Los Angeles, California. 25 By: Mayra Hernande 26 Mayra Hernandez Print Name 27 28

## **EXHIBIT 2**

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

(Case Name: Ismail Alammari, et al. v. Ocean Cities Pizza, Inc., et al. and number MSC19-02640)

The Superior Court for the State of California authorized this Notice. Read it carefully!

It's not junk mail, spam, an advertisement, or solicitation by a lawyer.

You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("this Action") against Ocean Cities Pizza, Inc., Home County Pizza, Inc., Hishmeh Enterprises, Inc., Central Cities Pizza, Inc., and Team So-Cal, Inc. ("Defendants") for alleged wage and hour violations. This Action was filed by two of Defendants' employees, Ismail Alaminari and Jeremy D'Ambrosio (jointly "Plaintiffs") and seeks payment of (1) wages and other relief for a class of hourly, nonexempt employees ("Class Members") who worked for Defendant during the Class Period (June 24, 2016 to November 29, 2023); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly, nonexempt employees who worked for Defendants during the PAGA Period (December 16, 2018 to November 29, 2023) ("Aggrieved Employees").

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

Based on Defendants' records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$<<EstSettAmt>> (less withholding) and your Individual PAGA Payment is estimated to be \$<<EstPAGAAmt>>. 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 Class Payment, then according to Defendants' records you are not eligible for an Individual Class Payment under the Settlement because you didn't work during the Class Period. If no amount is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' records showing that you worked << Workweeks>> Work Weeks during the Class Period and you worked << PAGAPeriods>> Pay Periods during the PAGA Period. If you believe that you worked more Work Weeks or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or 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 each Plaintiff and his/her attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

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

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

#### SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Proposed and an Individual RACA Proposed (if any). In qualcular
Anything to Participate in the Settlement	Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are
in the Settlement	covered by this Scttlement (Released Claims).
You Can Opt-out of the	If you don't want to fully participate in the proposed Settlement, you can opt-out
Class Settlement but not	of the Class Settlement by sending the Administrator a written Request for
the PAGA Settlement	Exclusion. Once excluded, you will be a Non-Participating Class Member and no
	longer eligible for an Individual Class Payment. Non-Participating Class Members
The Opt-out Deadline is	cannot object to any portion of the proposed Settlement. See Section 6 of this
December 30, 2024	Notice.
	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants
	must pay Individual PAGA Payments to all Aggrieved Employees and the
	Aggrieved Employees must give up their rights to pursue Released Claims (defined
	below)
Participating Class	All Class Members who do not opt-out ("Participating Class Members") can object
Members Can Object to	to any aspect of the proposed Settlement. The Court's decision whether to finally
the Class Settlement but	approve the Settlement will include a determination of how much will be paid to
not the PAGA	Class Counsel and each Plaintiff who pursued the Actions on behalf of the Class.
Settlement	You are not personally responsible for any payments to Class Counsel or Plaintiffs,
Ninittan Objections	but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount
Written Objections Must be Submitted by	paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this
December 30, 2024	Notice.
You Can Participate in	The Court's Final Approval Hearing is scheduled to take place on February 6, 2025.
the February 6, 2025	You don't have to attend but you do have the right to appear (or hire an attorney to
Final Approval Hearing	appear on your behalf at your own cost), in person, by telephone or by using the
	Court's virtual appearance platform. Participating Class Members can verbally
	object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the	The amount of your Individual Class Payment and LWDA PAGA payment (if any)
Calculation of Your	depend on how many Work Weeks you worked at least one day during the Class
Work Week / Pay	Period and how many Pay Periods you worked at least one day during the PAGA
Periods	Period, respectively. The number of Class Period Work Weeks and number of
	PAGA Period Pay Periods you worked according to Defendants' records are stated
Written Challenges	on the first page of this Notice. If you disagree with either of these numbers, you
Must be Submitted by	must challenge it by December 30, 2024. See Section 4 of this Notice.
December 30, 2024	

#### 1. WHAT IS THIS ACTION ABOUT?

Plaintiffs are former employees of Defendants. This Action accuses Defendants of violating California labor laws by its failure to pay overtime wages, failure to pay minimum wages, failure to provide accurate and itemized wage statements, failure to provide uninterrupted meal periods, failure to provide uninterrupted rest periods, failure to indemnify for expenditures or losses in discharge of duties, failure to pay wages promptly upon termination, and unfair competition under Business & Professions Code sections 17200, et seq. and related violations of the Labor Code. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in this Action: Chantal McCoy Payton of Payton Employment Law PC; Ilya Filmus and Ashar Ahmed of Infinity

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Law Group, LLP; and Orlando Villalba, Helga Hakimi, and Joseph Parsons of Capstone Law APC (collectively, "Class Counsel").

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

#### 2. WHAT DOES IT MEAN THAT THIS ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve this Action by negotiating an end to this Action 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 this Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

- Defendants will pay \$2,934,662.68 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will begin to fund the Gross Settlement as follows: Within 30 calendar days of the Court's final approval order, Defendants shall pay the entire Gross Settlement amount. Within 14 calendar days of the payment, the Administrator will make a pro rata distribution of the Individual Class Payments, Individual PAGA Payments, LWDA PAGA payment, Class Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administrator's expenses.
- 2. Disbursements of the pro rata portions of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of pro rata portions of the Individual Class Payments and Individual PAGA Payments.
- 3. The Judgment will be final 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.
- 4. <u>Court Approved Deductions from Gross Settlement.</u> At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
- A. Up to 35% of the Gross Settlement to Class Counsel for attorneys' fees and up to \$60,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.
- B. Up to \$10,000.00 as a Class Representative Award to each Plaintiff for filing the Actions, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies each Plaintiff will receive other than his/her Individual Class Payment and any Individual PAGA Payment.

- C. Up to \$37,000.00 to the Administrator for services administering the Settlement.
- D. Up to \$250,000.00 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.

Based on their records, Defendants estimate that, as of the date of the Settlement Agreement, (1) there are approximately 7,703 Class Members and 325,642 total Work Weeks from the Class and PAGA Period start dates through approximately March 26, 2023. These numbers would be expected to increase proportionately for the passage of time through the Class Period end date. Before the Parties seek or a Party seeks Court approval of the Settlement, the Administrator will advise Plaintiffs' counsel of Defendants' report of the total number of Work Weeks during the Class Period. If the number of Class Member Work Weeks as of the Class Period end date exceeds the referenced 325,642 weeks worked by more than 10% the Gross Settlement Amount, including attorney fees, will increase proportionally according to the number of additional Work Weeks.

- 5. <u>Net Settlement Distributed to Class Members</u>. 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 Work Weeks.
- 6. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20.00% of each Individual Class Payment to taxable wages ("Wage Portion") and 80.00% to interest and penaltics ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- 7. <u>Need to Promptly Cash Payment Checks.</u> The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash the check by the void date, your check will be automatically cancelled, and the monies will be sent to State Bar of California's Justice Gap Fund the *cy pres* recipient. You will not be able to retrieve your money.
- Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than December 30, 2024, 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 December 30, 2024, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members), but are also Aggrieved Employees, shall remain eligible for and will be paid their Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Actions.

9. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court

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

- 10. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (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 Work Weeks, 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.
- 11. Participating Class Members' Release. After the Judgment is final and Defendants has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Actions and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Actions including failure to pay overtime wages, failure to pay minimum wages, failure to provide accurate and itemized wage statements, failure to provide uninterrupted meal periods, failure to provide uninterrupted rest periods, failure to indemnify for expenditures or losses in discharge of duties, failure to pay wages promptly upon termination, and unfair competition under Business & Professions Code sections 17200, et seq. and related allegations. Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination for reasons other than failure to obtain car insurance, 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.

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

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

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Actions including failure to pay overtime wages, failure to pay minimum wages, failure to provide accurate and itemized wage statements, failure to provide uninterrupted meal periods, failure to provide uninterrupted rest periods, failure to indemnify for expenditures or losses in discharge of duties, failure to pay wages promptly upon termination, and unfair competition under Business & Professions Code sections 17200, et seq. and related allegations.

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The "Released Parties" are Defendants and any of their present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Class Claims, Released PAGA Claims, and Defendants' counsel of record in the Actions.

#### 4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- 1. <u>Individual Class Payments.</u> The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Work Weeks worked by all Participating Class Members, and (b) multiplying the result by the number of Work Weeks worked by each individual Participating Class Member.
- 2. <u>Individual PAGA Payments</u>. The Administrator will calculate Individual PAGA Payments by (a) dividing the amount of the Aggricved Employees' 25% share of PAGA Penalties \$62,500.00 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 Work Weeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until December 30, 2024, to challenge the number of Work Weeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Work Weeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges-based\_on\_your\_submission\_and\_on\_input\_from\_Class\_Counsel\_(who\_will\_advocate\_on\_behalf\_of\_Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

#### 5. HOW WILL I GET PAID?

The Administrator will send, by U.S. Mail, a single check to every Participating Class Member (i.e., every Class Member who does not opt-out).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify this Action as Ismail Alammari, et al. vs. Ocean Cities Pizza, Inc., et al., Case No. CIVMSC19-02640, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by December 30, 2024, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

#### 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 court days before the February 6, 2025 Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for

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Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating: (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount each 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. You can also view them on the Administrator's Website (<a href="https://www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement">www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement</a>) or the Court's website (<a href="https://odyportal.cc-courts.org/portal">https://odyportal.cc-courts.org/portal</a>).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is December 30, 2024. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify this Action, as Ismail Alammari, et al. vs. Ocean Cities Pizza, Inc., et al., Contra Costa Superior Court Case No. MSC19-02640, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorncy) 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 February 6, 2025 at 10:00 a.m. in Department 39 of the Contra Costa Superior Court, located at 725 Court Street, Martinez, CA 94553. At the Hearing, the Judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via (https://www.cc-courts.org/calendars/court-calendars.aspx). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's Website (<a href="www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement">www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement</a>) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

#### 9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's Website (<a href="www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement">www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement</a>). 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 <a href="https://odyportal.cc-courts.org/portal">https://odyportal.cc-courts.org/portal</a>) and entering the Case Number for this Action, Case No. MSC19-02640. You can also make an appointment to personally review court documents in the Clerk's Office at the Wakefield Taylor Courthouse, Civil Division by calling (925) 608-1112.

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

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#### Administrator:

Alammari v. Ocean Cities Pizza Inc.

c/o CPT Group, Inc. 50 Corporate Park Irvine, CA 92606

Toll Free:

1 (888) 714-5159

Facsimile:

(949) 419-3446

Email:

OceanCitiesPizzaScttlement@cptgroup.com

Website:

www.cptgroupcaseinfo.com/OceanCitiesPizzaSettlement

#### WHAT IF I LOSE MY SETTLEMENT CHECK? 10.

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will not be able to retrieve your funds as they will be donated to the cy pres recipient - State Bar of California's Justice Gap Fund.

#### -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 3**

JUDICIAL OFFICER: CHARLES S TREAT HEARING DATE: 09/26/2024

Effective January 2, 2025, this case is reassigned to Department 39 for all purposes.

10. 9:00 AM CASE NUMBER: C24-01027

CASE NAME: MANDY DIAZ VS. INTEGRITY LOGISTICS LLC
\*HEARING ON MOTION IN RE: REQUEST PERMISSION TO SUBMIT A PETITION FOR
COORDINATION

FILED BY: AMAZON LOGISTICS, INC.

\*TENTATIVE RULING:\*

Amazon's unopposed motion for leave to file a petition for coordination is granted.

Effective January 2, 2025, this case is reassigned to Department 39 for all purposes.

11. 9:00 AM CASE NUMBER: MSC19-02640 CASE NAME: ALAMMARI VS OCEAN CITIES PIZZA, INC.
-\*HEARING ON-MOTION-IN-RE: PRELIMINARY-APPROVAL—

FILED BY: ALAMMARI, ISMAIL \*TENTATIVE RULING:\*

Plaintiffs Ismail Alammari and Jeremy D'Ambrosio move for preliminary approval of their class action and PAGA settlement with defendants Ocean Cities Pizza et al. The motion is granted.

#### A. Background and Settlement Terms

Defendants are in the business of operating Domino's Pizza franchises. Plaintiffs worked for one or more defendants as food preparers or retail clerks.

Alammari's original complaint was filed on December 18, 2019, as a class and PAGA case. D'Ambrosio's PAGA complaint was filed on October 21, 2021, in Ventura County. Both courts granted motions to compel arbitration. In Alammari's case, however, the grant was of class wide arbitration, a result which was then affirmed by the court of appeal. The parties then agreed to go into mediation, resulting in this settlement.

The settlement would create a gross settlement fund of \$2,875,000. The class representative payments to the plaintiffs would be \$10,000 each. Attorney's fees would be \$1,006,250 (35% of the settlement). Litigation costs would not exceed \$60,000. The settlement administrator's costs are estimated at \$33,000. PAGA penalties would be \$250,000, resulting in a payment of \$187,500 to the LWDA. The net amount paid directly to the class members would be about \$1,505,750, not including distribution of PAGA penalties. The fund is non-reversionary. There are an estimated 7,303 class members. Based on the estimated class size, the average net payment for each class member is approximately \$206. The individual payments will vary considerably, however, because of the

JUDICIAL OFFICER: CHARLES S TREAT HEARING DATE: 09/26/2024

allocation formula prorating payments according to the number of weeks worked during the relevant time. The number of aggrieved employees for PAGA purposes is smaller, because the starting date of the relevant period is later.

The entire settlement amount will be deposited with the settlement administrator within 30 days after the effective date of the settlement.

The proposed settlement would certify a class of all current and former non-exempt employees employed at Defendants' California facilities between June 24, 2016 and November 29, 2023. For PAGA purposes, the period covered by the settlement is December 16, 2018 to November 29, 2023.

The class members will not be required to file a claim. Class members may object or opt out of the settlement. (Aggrieved employees cannot opt out of the PAGA portion of the settlement.) Funds would be apportioned to class members based on the number of workweeks worked during the class period.

A list of class members will be provided to the settlement administrator within 15 days after preliminary approval. The administrator will use skip tracing as necessary. Various prescribed follow-up steps will be taken with respect to mail that is returned as undeliverable. Settlement checks not cashed within 180 days will be cancelled, and the funds will be directed to the State Bar's Justice Gap Fund as a cy pres beneficiary.

The settlement contains release language covering all claims and causes of action, alleged or which could have reasonably been alleged based on the allegations in the operative pleading, including a number of specified claims. Under recent appellate authority, the limitation to those claims with the "same factual predicate" as those alleged in the complaint is critical. (*Amaro v. Anaheim Arena Mgmt., LLC* (2021) 69 Cal.App.5th 521, 537 ("A court cannot release claims that are outside the scope of the allegations of the complaint.") "Put another way, a release of claims that goes beyond the scope of the allegations in the operative complaint' is impermissible." (*Id.*, quoting *Marshali v. Northrop Grumman Corp.* (C.D. Cal.2020) 469 F.Supp.3d 942, 949.)

Formal discovery was undertaken, resulting in the production of substantial documents. The matter settled after arms-length negotiations, which included a session with an experienced mediator.

Counsel also has provided an analysis of the case, and how the settlement compares to the potential value of the case, after allowing for various risks and contingencies. For example, much of plaintiff's allegations centers on possible off-the-clock work, including missed or skipped meal breaks and rest breaks. Defendant, however, pointed out that its formal policies prohibit off-the-clock work, and asserted that it would have had no knowledge of employees beginning work before punching in or continuing after punching out. Further, it argued that it was required to make meal and rest breaks available, but not required to ensure that they be taken, so long as no employer policy prevented or discouraged taking such breaks. As to unreimbursed employee expenses (such as cell phone use, mileage, and masks), plaintiff would have been called on to show that such expenses were in fact incurred, were reasonably necessary to job performance, and were unreimbursed. Furthermore, the fact-intensive character of such claims would have presented a serious obstacle to class certification.

JUDICIAL OFFICER: CHARLES S TREAT HEARING DATE: 09/26/2024

Plaintiffs also faced the problem that the relevant work force tended to work for short periods at low wages, making it harder to secure employees to testify.

The potential liability needs to be adjusted for various evidence and risk-based contingencies, including problems of proof. PAGA penalties are difficult to evaluate for a number of reasons: they derive from other violations, they include "stacking" of violations, the law may only allow application of the "initial violation" penalty amount, and the total amount may be reduced in the discretion of the court. (See Labor Code § 2699(e)(2) (PAGA penalties may be reduced where "based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust arbitrary and oppressive, or confiscatory.")) Moreover, recent decisions may make it difficult for PAGA plaintiffs to recover statutory penalties, as opposed to actual missed wages. (See, e.g., Naranjo v. Spectrum Security Services, Inc. (2024) 15 Cal.5th 1056.)

Counsel attest that notice of the proposed settlement was transmitted to the LWDA concurrently with the filing of the motion.

#### B. Legal Standards

The primary determination to be made is whether the proposed settlement is "fair, reasonable, and adequate," under Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801, including "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the state of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction ... to the proposed settlement." (See also Amaro, 69 Cal.App.5th 521.)

Because this matter also proposes to settle PAGA claims, the Court also must consider the criteria that apply under that statute. Recently, the Court of Appeal's decision in *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, provided guidance on this issue. In *Moniz*, the court found that the "fair, reasonable, and adequate" standard applicable to class actions applies to PAGA settlements. (*Id.*, at 64.) The Court also held that the trial court must assess "the fairness of the settlement's allocation of civil penalties between the affected aggrieved employees". (*Id.*, at 64-65.)

California law provides some general guidance concerning judicial approval of any settlement. First, public policy generally favors settlement. (Neary v. Regents of University of California (1992) 3 Cal.4th 273.) Nonetheless, the court should not approve an agreement contrary to law or public policy. (Bechtel Corp. v. Superior Court (1973) 33 Cal.App.3d 405, 412; Timney v. Lin (2003) 106 Cal.App.4th 1121, 1127.) Moreover, "The court cannot surrender its duty to see that the judgment to be entered is a just one, nor is the court to act as a mere puppet in the matter." (California State Auto. Assn. Inter-Ins. Bureau v. Superior Court (1990) 50 Cal.3d 658, 664.) As a result, courts have specifically noted that Neary does not always apply, because "Where the rights of the public are implicated, the additional safeguard of judicial review, though more cumbersome to the settlement process, serves a salutatory purpose." (Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of America (2006) 141 Cal.App.4th 48, 63.)

JUDICIAL OFFICER: CHARLES S TREAT HEARING DATE: 09/26/2024

The settlement agreement includes an escalator provision, to be triggered in the event that the number of covered employees or work weeks turns out to be materially higher than now estimated. If the clause is triggered and the defendant elects to increase the total payment, no further approval will be needed. It does not include any express provision allowing the defendants to unilaterally cut back the class period to limit the number of employees and work weeks covered; rather, it allows for defendants to terminate the settlement altogether in lieu of increasing the total payment. The parties are cautioned, however, that in the event they seek to remedy a proposed defendant termination by modifying the settlement terms (such as by cutting back the covered period), it would be prudent to seek further approval from the Court before proceeding further.

#### **Attorney Fees**

Plaintiff seeks 35% of the total settlement amount as fees, relying on the "common fund" theory. Even a proper common fund-based fee award, however, should be reviewed through a lodestar crosscheck. In Lafitte v. Robert Half International (2016) 1 Cal.5th 480, 503, the Supreme Court endorsed the use of a lodestar cross-check as a way to determine whether the percentage allocated is reasonable. It stated: "If the multiplier calculated by means of a lodestar cross-check is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." (Id., at 505.) Following typical practice, however, the fee award will not be considered at this time, but only as part of final approval.

Similarly, litigation and administration costs and the requested representative payment of \$10,000 each for the plaintiffs will be reviewed at time of final approval. Criteria for evaluation of representative payment requests are discussed in *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804-07.

#### C. Discussion and Conclusion

The Court finds that the settlement is sufficiently fair, reasonable, and adequate to justify preliminary approval.

Counsel will be directed to prepare an order reflecting this tentative ruling, the other findings in the previously submitted proposed order, and to obtain a hearing date for the motion for final approval from the Department clerk. Other dates in the scheduled notice process should track as appropriate to the hearing date. The ultimate judgment must provide for a compliance hearing after the settlement has been completely implemented. Plaintiffs' counsel are to submit a compliance statement one week before the compliance hearing date. Five percent of the attorney's fees are to be withheld by the claims administrator pending satisfactory compliance as found by the Court.

Effective January 2, 2025, this case is reassigned to Department 39 for all purposes.

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#### PROOF OF SERVICE

#### STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 3807 W Sierra Highway, Acton, CA 93510.

On the date set forth below, I served the document(s) described as:

[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT, CERTIFICATION OF A SETTLEMENT CLASS, AND APPROVAL OF CLASS REPRESENTATIVES, CLASS COUNSEL, AND CLASS NOTICE

on the person(s) listed below:

Ilya Filmus, Esq.	Attorneys for Plaintiff
Ashar Ahmed, Esq.	ISMAIL ALAMMARÍ,
INFINITY LAW GROUP LLP	individually and
3450 Geary Blvd., Suite 210	on behalf of all others
San Francisco, CA 94118	similarly situated,
ifilmus@infinitylawca.com	
aahmed@infinitylawca.com	

## CAPSTONE LAW APC Orlando Villalba, Esq. Attorneys for Plaintiff JEREMY D'AMBROSIO

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# FISHER & PHILLIPS LLP Lonnie D. Giamela, Esq. Igiamela@fisherphillips.com Joel Moon, Esq. jmoon@fisherphillips.com 444 South Flower Street, Suite 1500 Los Angeles, California 90071 Attorneys for Defendants OCEAN CITIES PIZZA, INC.; HOME COUNTY PIZZA, INC.; HISHMEH ENTERPRISES, INC.; CENTRAL CITIES PIZZA, INC.

- X (BY EMAIL) I caused the above-transcribed documents to be transmitted by email from kzelaya@paytonemploymentlaw.com to the addressees as set forth above.
- X (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Dated: October 28, 2024

Karen Zelaya