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2		SUPERIOR COURT OF CALIFORNIA	
2		COUNTY OF SAN BERNARDINO SAN BERNARDINO DISTRICT	
4		MAY 09 2022	
5		BY	
6		CHESTIAN HERMANDEZ DEPUTY	
7		F THE STATE OF CALIFORNIA	
8	COUNTY O	F SAN BERNARDINO	T
9			AX
10	CHEYLYN ROSS, individually and on	Case No. CIVDS1902518	
11	behalf of all others similarly situated,	[Assigned for all purposes to Hon. David Cohn,	•
12	Plaintiffs,	Dept. S-26]	
13	VS.	[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS	
14	STATER BROS. MARKETS, a California	ACTION AND PAGA SETTLEMENT	
15	Corporation; and DOES 1-50, inclusive,	Date: May 9, 2022	
16	Defendants.	Time: 10:00 a.m. Dept.: S-26	
17		Action Filed: January 25, 2019	
18		FAC Filed: April 3, 2019 Trial Date: None Set	
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The Court, having read and considered the papers filed in support of Plaintiffs' Motion for
 Preliminary Approval of Class Action and PAGA Settlement (the "Motion"), having considered the
 arguments of counsel, and good cause appearing therefore,

4 IT IS HEREBY ORDERED:

The Court grants preliminary approval of the Joint Stipulation of Class Action and
 PAGA Settlement and Release ("Settlement Agreement"), attached as Exhibit 1, as the terms of the
 Settlement Agreement appear to be fair, adequate, and reasonable. All terms used herein shall have
 the same meaning as defined in the Settlement Agreement.

9 2. The Settlement as set forth in the Settlement Agreement falls within the range of
10 reasonableness and appears to be presumptively valid, subject only to any objections that may be
11 raised at the Final Fairness Hearing and Final Approval by the Court.

- 3. The Court approves the filing of the Second Amended Complaint, in substantially the
 form attached to the Settlement Agreement as Exhibit A. Plaintiffs shall separately file the Second
 Amended Complaint within 5 calendar days of this Order.
- The Court approves, as to form and content, the Notice of Proposed Class Action and
 PAGA Settlement ("Class Notice"), in substantially the form attached to the Settlement Agreement as
 Exhibit B. The Court approves the procedures for Class Members to participate in, to opt out of, and
 to object to, the Settlement as set forth in the Settlement Agreement.
- 19 5. The Court considered the papers in support of the Motion and finds that, pursuant to 20 California Rules of Court ("C.R.C.") Rule 3.769(d), the proposed Class should be certified for 21 settlement purposes only. Specifically, the Court finds for settlement purposes only that the proposed 22 Class: (a) is ascertainable; (b) sufficiently numerous; (c) meets the commonality requirements; (d) the 23 claims of the Class Representatives are typical of the claims of the proposed Class Members; (e) Class Counsel has and is able to adequately represent the proposed Class; (f) the Class Representatives are 24 25 adequate to represent the Class; and (g) class-wide treatment of this dispute is superior to individual 26 litigation because common issues predominate over individual issues for settlement purposes.

27 6. The Court finds that proper notice was provided to the Labor and Workforce
28 Development Agency, pursuant to California's Private Attorney General Act, Labor Code section

2.

2699, et seq The Court preliminarily certifies for settlement purposes only the Class or Class Members
 defined as follows: all individuals employed by Stater Bros. Markets as non-exempt, hourly retail
 employees within the State of California during the Class Period. The Class Period is defined as
 September 7, 2018 through November 10, 2021.

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7. The Court directs the mailing of the Class Notice to the Class Members in accordance with the terms of the Settlement Agreement and the implementation schedule below. The Court finds the distribution of the Class Notice as set forth in the Settlement Agreement meets the requirements of due process and provides the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

8. The procedures and 30-day deadline for Class Members to request exclusion from or
to object to the Settlement or to dispute the number of weeks worked set forth in the Class Notice is
adopted as described in the Settlement Agreement. Any Class Member may object to the Settlement
by submitting a written objection to the Settlement Administrator or by appearing in person or through
counsel at the Final Approval Hearing.

15 9. The Court appoints Plaintiffs Cheylyn Ross, Danny Armenta, and Katrina Biggers as
16 the Class Representatives.

17 10. The Court appoints James R. Hawkins, Christina M. Lucio, and Mitchell J. Murray of
18 James Hawkins APLC, Larry W. Lee and Max W. Gavron of Diversity Law Group, P.C., and
19 William L. Marder of Polaris Law Group LLP as Class Counsel.

20 11. The Court appoints CPT Group, Inc. as the Settlement Administrator, pursuant to the
21 terms set forth in the Settlement Agreement.

22 23 12. The Court orders the following implementation schedule for further proceedings:

23	Plaintiffs to file Second Amended Complaint	Within 5 calendar dates of the Court's Order
24		Granting Preliminary Approval.
25	Defendant to provide Class List and Data	Within 30 calendar days of the Court's Order
26	Report to the Settlement Administrator	Granting Preliminary Approval
27	Settlement Administrator to mail the Class	Within 15 business days of receipt of the Class
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1	Notice to Class members	List and Data Report
2	Deadline for Class Members to object to or opt	Within 30 calendar days from the mailing of
3	out of the Settlement, or to dispute number of	the Class Notice, or 45 calendar days from the
4	weeks worked credited in Class Notice	original mailing for a re-mailed Class Notice.
5	Plaintiffs to File Motion for Final Approval	Not less than 16 court days before the Final
0	and Motion for Attorneys' Fees, Costs and	Approval Hearing.
/	Service Award.	
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13. A final Approval Hearing on the question of whether the proposed Settlement, including the requested attorneys' fees and costs to Class Counsel and the Service Award to the Class Representatives should be finally approved as fair, adequate, and reasonable as to the Class Members is scheduled for $\frac{7/8/2}{2}$ at $\frac{M/U}{2}$ in Department S-26. The Court retains jurisdiction to consider all further applications arising out of or in connection with the Settlement Agreement.

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14. The Parties are directed to carry out their obligations under the Settlement Agreement.

15. Neither the Settlement, nor any of the terms set forth in the Settlement Agreement, is an admission by Defendant, or any of the other Released Parties, nor is this Order, a finding of the validity of any claims in the Action or of any wrongdoing by Defendant, or any of the other Released Parties. Neither this Order, the Settlement Agreement, nor any document referred to herein nor any action taken to carry out the Settlement Agreement is, may be construed as, or may be used as, an admission by or against Defendant, or any of the other Released Parties, of any fault, wrongdoing or liability whatsoever.

9/23

HON. DAVID COHN JUDGE, SAN BERNARDINO COUNTY SUPERIOR COURT

4.

Exhibit 1

1 2 3 4 5 6 7 8	James R. Hawkins (SBN 192925) Christina M. Lucio (SBN 253677) Mitchell J. Murray (SBN 285691) JAMES HAWKINS APLC 9880 Research Drive, Suite 200 Irvine, California 92618 Telephone: (949) 387-7200 Facsimile: (949) 387-6676 Attorneys for Plaintiffs CHEYLYN ROSS and DANNY ARMENTA on behalf of themselves and all others simila	
9 10 11 12 13	Richard D. Marca, State Bar #127365 Ankit H. Bhakta, State Bar #312607 Christopher S. Milligan, State Bar #211532 VARNER & BRANDT LLP 3750 University Avenue, Suite 610 Riverside, California 92501 Telephone: (951) 274-7777 Facsimile: (951) 274-7770	
14 15 16	Attorneys for Defendant, STATER BROS. MARKETS, a California co ADDITIONAL COUNSEL ON NEXT PAG	-
17	,	
18	SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN BERNARDINO	
19		
20	CHEYLYN ROSS, individually and on behalf of all others similarly situated,	Case No. CIVDS1902518
21	Plaintiffs,	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE
22	vs.	Assigned for all purposes to Hon. David Cohn
23		Dept. S-26
24	STATER BROS. MARKETS, a California Corporation; and DOES 1-50,	Action Filed, January 25, 2010
25	inclusive,	Action Filed: January 25, 2019 FAC Filed: April 3, 2019
26	Defendants.	Trial Date: None Set
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	JOINT STIPULATION OF CLASS ACTI	ON AND PAGA SETTLEMENT AND RELEASE

1	Larry W. Lee (State Bar No. 228175)
2	Iwlee@diversitylaw.com Max W. Gavron (State Bar No. 291697)
3	mgavron@diversitylaw.com
4	DIVERSITY LAW GROUP, P.C. 515 S. Figueroa Street, Suite 1250
5	Los Angeles, CA 90071 (213) 488-6555
6	(213) 488-6554 facsimile
7	William L. Marder, Esq. (State Bar No. 170131)
8	bill@polarislawgroup.com Polaris Law Group LLP
9	501 San Benito Street, Suite 200 Hollister, CA 95023
10	Tel: (831) 531-4214
11	Fax: (831) 634-0333
12	Attorneys for Plaintiff Katrina Biggers and the Class
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	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE
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Subject to final approval by the Court, which counsel and the Parties agree to pursue and 1 2 recommend in good faith, Plaintiffs Cheylyn Ross ("Ross"), Katrina Biggers ("Biggers"), and 3 Danny Armenta ("Armenta"), individually and on behalf of all employees similarly situated, on 4 the one hand, and Defendant Stater Bros. Markets ("Defendant" or "Stater Bros."), on the other 5 (collectively, the "Parties"), hereby agree to the following binding settlement of the Action, as defined below. The Parties request that the Court make and enter judgment, subject to the 6 continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and 7 terms set forth herein which by this reference become an integral part of this Stipulation of 8 9 Settlement.

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I. <u>DEFINED TERMS</u>

As used herein, the following terms are defined as:

12 1. "Action" means the action of *Cheylyn Ross v. Stater Bros. Markets*, San Bernardino
 13 County Superior Court Case No. CIVDS1902518, as amended following the filing of the Amended
 14 Complaint.

2. "Agreement," "Settlement," or "Stipulation" means this Joint Stipulation of Class
 Action and PAGA Settlement and Release.

17 3. "Amended Complaint" means the amended complaint that Plaintiffs will file in the 18 Action in advance of seeking and receiving Court approval to add Katrina Biggers and Danny 19 Armenta as named plaintiffs/class representatives, and add any and all claims and causes of action 20 that were asserted in the civil actions entitled Katrina Biggers v. Stater Bros. Markets, San 21 Bernardino County Superior Court Case No. CIVDS1914122, Katrina Biggers v. Stater Bros. 22 Markets, San Bernardino County Superior Court Case No. CIV DS 2010164, Danny Armenta v. 23 Stater Bros. Markets, Riverside County Superior Court Case No. RIC2000225, Danny Armenta v. 24 Stater Bros. Markets, Riverside County Superior Court Case No. RIC2003532, which is attached 25 herein as Exhibit A.¹

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¹ In the event the Settlement does not become final and/or effective (either because of recission or lack of judicial approval or otherwise): (1) Defendant shall not oppose Plaintiff's request to transfer the *Armenta I* and *Armenta II* actions back to Riverside Superior Court (but reserves its rights to subsequently remove the case thereafter); and (2)

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4. "Attorneys' Fees and Cost Award" means the amount authorized by the Court to
 be paid to Class Counsel for the services they have rendered and expenses they have incurred in
 prosecuting the Action. Class Counsel shall request, and Defendant will not oppose, an award of
 Attorneys' Fees of up to One-Third (1/3) or \$2,050,000.00 of the Gross Settlement Amount, and
 of costs of up to \$50,000.00 of the Gross Settlement Amount. The Attorneys' Fees and Cost
 Award shall be paid from the Qualified Settlement Fund. Class Counsel will be issued IRS Form
 1099 for the Fees and Cost Award.

8 9 5. "Claims" means any and all claims which were asserted, or could have been asserted, based on the factual allegations in the Action.²

10 6. "Class" and "Class Members" mean and refer to all individuals employed by 11 Defendant as non-exempt, hourly retail employees within the State of California during the Class 12 Period. Based upon the documents and information exchanged prior to mediation, the Parties 13 believe that the Class includes approximately 28,498 Class Members between September 7, 2018, 14 and January 12, 2021, and that there were approximately 1,714,570 weeks worked by Class 15 Members through January 12, 2021. Because the contemplated Settlement involves a Class Period 16 which ends at the date of preliminary approval, or 180 days following the lapse of the mediator's proposal (i.e., November 10, 2021)-whichever occurs first, the number of weeks worked by the 17 Class Members is estimated to be approximately 2,500,000 weeks at the time of preliminary 18 19 approval. In the event that the total number of weeks worked by the Class during the Class Period increases by more than 5% from this estimate (i.e., 2,750,000 weeks or greater), then the Gross 20 21 Settlement Amount will increase proportionately over the 5% grace (i.e. meaning if the total 22 number of weeks worked during the Class Period increases by 6%, the Gross Settlement Amount 23 will increase by 1%).

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7. "Class Counsel" and "Plaintiffs' Counsel" mean James R. Hawkins, Christina M.

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2² Given the number, size, and comprehensiveness of the five separately-filed lawsuits resolved by way of this
Settlement, this definition is intended to be as broad as the law permits and shall include, but not be limited to, any
and all claims arising under the California Labor Code or California Wage Orders, which were pleaded or could
have been pleaded based on the facts alleged in the Amended Complaint.

the Parties shall have all rights and defenses which existed in each of the lawsuits referenced herein as of May 14, 2021.

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Lucio and Mitchell J. Murray of James Hawkins APLC; Larry W. Lee and Max W. Gavron of
 Diversity Law Group, P.C.; and William L. Marder of Polaris Law Group, who shall be appointed
 Class Counsel upon approval by the Court.

4 8. "Class List and Data Report" means a list of the names, last known mailing address 5 and telephone number, the last four digits of the Social Security number, and the number of Weeks 6 Worked by each Class Member during the Class Period. Defendant will diligently and in good 7 faith compile the Class List and Data Report and provide the Class List and Data Report to the 8 Settlement Administrator and Class Counsel within thirty (30) calendar days of Preliminary 9 Approval of the Settlement. The Class List and Data Report shall be provided in a computer-10 readable format. If any of this information is unavailable to Defendant, Defendant will so inform Class Counsel, and the Parties will make their best efforts to reconstruct or otherwise agree upon 11 12 how to deal with the unavailable information. The Class List and Data Report shall be based on 13 Defendant's payroll, personnel, and other business records. The Settlement Administrator shall 14 maintain the Class List and Data Report, and all data contained within the Class List and Data 15 Report shall be kept private and confidential. The Settlement Administrator shall not be permitted to share any class information included in the Class List and Data Report with Plaintiffs or Class 16 17 Counsel absent express written approval by Defendant or Defense Counsel. The Settlement Administrator is permitted to share the aggregate total number of Class Members, Weeks Worked, 18 19 and other such data points with Class Counsel for purposes of monitoring and administering this 20 Settlement.

9. "Class Period" means the period of time from September 7, 2018 through the date
of preliminary approval of this Settlement, or 180 days following the lapse of the mediator's
proposal (i.e., November 10, 2021)—whichever occurs first.

24 10. "Court" means the Superior Court for the State of California, for the County San
25 Bernardino.

11. "Defendant" means and refers to Defendant Stater Bros. Markets.

27 12. "Defendant's Counsel" or "Defense Counsel" means Richard D. Marca, Ankit H.
28 Bhakta, and Christopher S. Milligan of Varner & Brandt LLP.

1 "Effective Date" means the date by which the Settlement is finally approved, and a. 2 the Superior Court's Final Judgment becomes final. For purposes of this paragraph, the Superior 3 Court's Final Judgment "becomes final" upon the latter of: (a) if there are no objections to the 4 settlement, then the date of final approval by the Court; (b) if there are objections to the settlement, 5 and if an appeal, review or writ is not sought from the order granting final approval of the 6 settlement, the 61st day after service of notice of entry of the order; or (c) if an appeal, review or 7 writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is 8 dismissed or denied, and the order is no longer subject to further judicial review. In this regard, it 9 is the intention of the Parties that the Settlement shall not become final until the Court's order 10 approving the Settlement is completely final, the Court has entered an appropriate judgment, and 11 there is no further recourse by an appellant or objector-if any-who seeks to contest the 12 Settlement.

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13. "Final Approval Hearing/Settlement Fairness Hearing" means the hearing at which the Court considers whether to approve the Settlement and to enter the Final Judgment.

15 14. "Final Approval Order" means the order from this Court granting final approval of
16 this Settlement.

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15. "Final Judgment" means the Court's Final Judgment.

18 16. "General Release" means that Plaintiffs, in their individual capacity and with 19 respect to their individual claims only, agree to release the Released Parties from any and all 20 claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, 21 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for 22 violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection 23 with any act or omission by or on the part of any of the Released Parties committed or omitted 24 prior to the date of the Preliminary Approval Order, including a waiver of Civil Code § 1542.

17. "Gross Settlement Amount" equals \$6,150,000.00. All payments associated with
the Settlement shall be paid from the Gross Settlement Amount, including all payments to
Participating Class Members, Plaintiffs, Class Counsel, the Labor and Workforce Development
Agency ("LWDA"), and the Settlement Administrator. Employer-owed taxes on the wage portion

of the Settlement shall be funded by Defendant separately from the Gross Settlement Amount, and
 calculated and distributed by the Settlement Administrator. With the exception of its obligation to
 pay employer-owed taxes, unless the Weeks Worked by Class Members exceeds the grace period,
 as set forth in Section I, Paragraph 6 above, the total gross amount Defendant can be required to
 pay under this Settlement is \$6,150,000.00.

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18. "Individual Settlement Payment" means the settlement amount for each individual Participating Class Member resulting from the calculations set forth in paragraph III.12.

8 19. "Net Class Settlement Fund" refers to the funds that will be distributed to 9 Participating Class Members under this Stipulation after payment of any Attorneys' Fees and Cost 10 Award, Service Awards, Settlement Administration Costs, and the \$75,000.00 payment to the 11 California Labor and Workforce Development Agency ("LWDA") pursuant to the Private 12 Attorneys' General Act ("PAGA") allocation, which represents 75% of the \$100,000,00 PAGA 13 settlement portion from the Gross Settlement Amount. No portion of the "Net Class Settlement 14 Fund" shall revert to Defendant, and the entire "Net Class Settlement Fund," after the deductions 15 authorized herein, shall be paid out to the Class Members who do not exclude themselves from the 16 Settlement.

20. "Notice" or "Notice to Class Members" means the Notice of Pendency of Class
Action Settlement to be sent to all Class Members in both English and Spanish which describes
the Settlement, the procedure and time period to submit an opt-out form or to object to the
Settlement, and the date set for the Final Approval Hearing. (See Notice to Class Members
attached as Exhibit B.)

22 21. "Opt-Out/Objection Deadline Date" means the date thirty (30) calendar days after 23 the date the Notice is mailed, on or before which a Class Member's written objection or opt-out 24 must be submitted in order to validly object or exclude themselves from the Settlement. If the 25 30th day falls on a Sunday or Federal holiday, the deadline will be extended to the next day on 26 which the U.S. Postal Service is open. The deadline may also be extended by express agreement 27 between Class Counsel and Defense Counsel. Under no circumstances, however, will the 28 Settlement Administrator have the authority to extend the deadline for Class Members to submit 1 an objection or opt-out to the Settlement.

2 22. "PAGA Payment" means Defendant's payment of \$75,000.00 to the LWDA, to be
3 paid from the Gross Settlement Amount. This LWDA payment represents 75% of the \$100,000.00
4 PAGA portion of the settlement. This PAGA Payment is made pursuant to California Labor Code
5 § 2699(i).

6 23. "PAGA Released Claims" means the release by all Class Members for any and all 7 claims that arise out of or relate to the California Labor Code sections 2698 *et seq.*, and California 8 Business and Professions Code Section 17200, as pleaded in any PAGA Notice by the named 9 plaintiffs and the Amended Complaint, or which could have been pleaded based on the factual 10 allegations contained therein, from September 7, 2018 through the date of preliminary approval of 11 this Settlement, or 180 days following the lapse of the mediator's proposal (i.e., November 10, 2021)—whichever occurs first.

13 24. "Participating Class Member" means a Class Member who has not validly opted
14 out of the Settlement.

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"Parties" means Defendant, Plaintiffs, and the Participating Class Members.

26. "Plaintiffs" means Plaintiffs Cheylyn Ross, Katrina Biggers, and Danny Armenta.

17 27. "Preliminary Approval Order" means the Order issued by the Court preliminarily
18 approving the terms of the Settlement set forth in this Stipulation.

19 28. "Qualified Settlement Fund" shall be the fund established by the Settlement
20 Administrator pursuant to Internal Revenue Code § 1.468B-1 and funded by Defendant within
21 thirty (30) calendar days after the Effective Date. This amount equals \$6,150,000.00, and includes
22 all settlement payments, costs, attorneys' fees, settlement administration costs, PAGA payment,
23 and service awards.

24 29. "Released Parties" means Defendant and its present and former parent companies,
25 subsidiaries, affiliated and related parties, joint employers, co-employers, and each of their
26 respective present and former owners, boards, directors, officers, trustees, shareholders, members,
27 partners, employees, agents, attorneys, representatives, successors, and assigns.



30. "Released Claims" is defined as follows: the Participating Class Members shall

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1 fully and finally release and discharge the Released Parties, during the Class Period, of any and all 2 applicable federal, California, and local wage and hour claims, rights, demands, liabilities and causes of action which were brought or could have been brought in the Action against Defendant 3 based on the factual allegations of the Action, including but not limited to, all claims for unpaid 4 wages, including minimum wages and overtime compensation; failure to provide lawful meal 5 period and rest periods; failure to provide sick pay; failure to compensate for alleged off-the-clock 6 7 work; failure to timely pay wages owed upon separation from employment; failure to reimburse 8 necessary expenses (which includes but is not limited to reimbursement for uniforms); knowing 9 and intentional failure to comply with accurate itemized wage statement provisions; and unfair 10 business practices related to the Released Claims; penalties, including civil penalties, statutory 11 penalties, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and 12 waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released 13 Claims arising under: the California Labor Code, including, but not limited to, sections 201, 202, 14 203, 204, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 510, 512, 516, 1174, 1194, 1194.2, 1195, 1197, 1198, 2802, 2698 et seq., 2699 et seq.; the Wage Orders of the California Industrial Welfare 15 Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California 16 Business and Professions Code § 17200, et seq.; and California Code of Civil Procedure § 1021.5. 17 18 This release excludes the release of claims not permitted by law but shall operate to release claims 19 to the broadest extent permitted by law.

31. "Service Award" means the amount that the Court authorizes to be paid to the
Plaintiffs over and above their Individual Settlement Payments, in recognition of their efforts in
assisting with the prosecution of the Action on behalf of the Class Members and in return for
executing a General Release of all Claims against Defendant. Plaintiffs will request a Service
Award of \$10,000.00 paid to each individual representative Plaintiff. Plaintiffs will be issued an
IRS Form 1099 in connection with their Service Awards.

26 27 32.

"Settlement Administrator" means CPT Group, Inc.

27 33. "Settlement Administration Costs" means all costs incurred in administering the
28 Settlement.

34. "Weeks Worked" means any week when a Class Member was engaged in any productive work activity for which they were paid, not including leaves of absence or paid time off.

II. <u>RECITALS</u>

This Stipulation is made by the Plaintiffs on behalf of themselves and each of the other Class Members, on the one hand, and Defendant, on the other hand, in this Action, and is subject to the approval of the Court.

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INVESTIGATION IN THE CLASS ACTION

9 The Parties have conducted significant investigation of the facts and law during the 10 prosecution of the Action. Such discovery and investigation includes: propounding written 11 discovery, production of documents, careful review of detailed information and payroll data 12 relevant to Plaintiffs' claims; and, the analysis by the Parties of the class-wide data to investigate 13 the merits of Plaintiffs' claims and the potential liability. Furthermore, there have been numerous 14 conferences between representatives of the Parties. Counsel for the Parties have investigated the 15 law as applied to the facts discovered regarding the alleged claims of Plaintiffs and potential 16 defenses thereto, and the potential damages claimed by Plaintiffs including the review of hundreds 17 of pages of payroll, time records, and other records produced by Defendant to Class Counsel for 18 the purposes of litigation and mediation.

Counsel for the Parties engaged in extensive discussions about the strengths and weaknesses of the claims and defenses. The Parties attended a full-day mediation before an experienced and well-regarded mediator, Gig Kyriacou, on February 23, 2021, and reconvened for a second session on May 5, 2021. The mediations were not successful, but thereafter, the Parties continued to negotiate and ultimately reached a negotiated resolution through mediator's proposal.

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B.

BENEFITS OF SETTLEMENT TO PARTICIPATING CLASS MEMBERS

Plaintiffs and Plaintiffs' Counsel recognize the expense and length of continued
proceedings necessary to litigate their disputes through trial and through any possible appeals.
Plaintiffs have also taken into account the uncertainty and risk of the outcome of further litigation,
and the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel are

also aware of the burdens of proof necessary to establish liability for the claims asserted in the 1 2 Action, both generally and in response to Defendant's defenses thereto. Plaintiffs and Plaintiffs' Counsel have also taken into account the extensive settlement negotiations conducted. Plaintiffs 3 and Plaintiffs' Counsel have also taken into account Defendant's agreement to enter into a 4 5 settlement that confers substantial relief upon the Participating Class Members. Based on the 6 foregoing, Plaintiffs and Plaintiffs' Counsel have determined that the Gross Settlement Amount 7 set forth in this Agreement is a fair, adequate and a reasonable settlement, and is in the best interests 8 of the Class.

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DEFENDANT'S REASONS FOR SETTLEMENT

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of time, energy, and resources of Defendant have been spent and, unless this Settlement is made, will continue to be devoted to the defense of the Claims asserted. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Defendant has, therefore, agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Claims as set forth in the Action.

Defendant denies and continues to deny each of the claims in Plaintiffs' Complaint and the
contentions alleged by Plaintiffs in the Action. Defendant has repeatedly asserted and continues
to assert defenses thereto, and has expressly denied and continues to deny any wrongdoing or legal
liability arising out of any of the facts or conduct alleged in the Action.

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D.

PLAINTIFFS' CLAIMS

Plaintiffs have claimed and continue to claim that the Released Claims have merit and give
rise to liability on the part of Defendant. This Agreement is a compromise of disputed claims.
Nothing contained in this Agreement and no documents referred to herein and no action taken to
carry out this Agreement may be construed or used as an admission by or against the Plaintiffs or
Plaintiffs' Counsel as to the merits or lack thereof of the Claims asserted.

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III. STIPULATION AND AGREEMENT

27 NOW, THEREFORE, IT IS HEREBY STIPULATED, by and among the Plaintiffs on
28 behalf of the Class Members on the one hand, and Defendant, on the other hand, and subject to the

approval of the Court, that the Action is hereby being compromised and settled subject to the 2 following terms and conditions:

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Full Investigation. Plaintiffs and Plaintiffs' Counsel have fully investigated the 1. factual and legal bases for the causes of action asserted in the Action.

5 2. Release as to All Participating Class Members. As of the date of the Final Approval 6 Order in this Action and upon the full funding of the Oualified Settlement Fund, the Participating 7 Class Members, including the Plaintiffs, release the Released Parties from the Released Claims. In 8 connection with the above Released Claims, and in consideration of Defendant's payments of the 9 sums provided herein, each and every Participating Class Member will be deemed also to have 10 acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Parties 11 hereto or the Participating Class Members because there is a good faith dispute as to whether any 12 wages are due at all to any Participating Class Member.

13 3. Release to All Class Members. All Class Members, including Plaintiffs, shall be 14 deemed to have released their respective PAGA Released Claims against the Released Parties upon 15 the Effective Date. It is understood that Class Members will not have the opportunity to opt out 16 of, or object to, the PAGA Released Claims. Further, the Class Members are bound by the PAGA 17 Released Claims regardless of whether they cash and/or otherwise negotiate their Individual 18 Settlement Payment.

19 4. General Release by Plaintiffs Only. In addition to the releases made by the 20 Participating Class Members as set forth in Paragraph 2 hereof, Plaintiffs, in their individual 21 capacity and with respect to their individual claims only, agree to release the Released Parties from 22 any and all claims, demands, rights, liabilities and causes of action of every nature and description 23 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, 24 contract, or for violation of any state or federal statute, rule or regulation arising out of, relating 25 to, or in connection with any act or omission by or on the part of any of the Released Parties 26 committed or omitted prior to the date of the Preliminary Approval Order including a waiver of 27 Civil Code § 1542.

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The General Release includes any unknown Claims that Plaintiffs do not know or suspect

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to exist in their favor at the time of the General Release, which, if known by them, might have
 affected their settlement with, and release of, the Released Parties or might have affected their
 decision not to object to this Settlement or the General Release.

With respect to the General Release, Plaintiffs stipulate and agree that, upon the date of the
Preliminary Approval Order, Plaintiffs shall be deemed to have expressly waived and relinquished,
to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the
California Civil Code, or any other similar provision under federal or state law as to the generally
released claims, which provides:

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.

12 Plaintiffs may hereafter discover facts in addition to or different from those they now know 13 or believe to be true with respect to the subject matter of the General Release. Nonetheless, Plaintiffs have, fully, finally, and forever settled and released any and all of the claims released 14 15 pursuant to the General Release whether known or unknown, suspected or unsuspected, contingent 16 or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is 17 negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard 18 to the subsequent discovery or existence of such different or additional facts. 19

5. Service Award. Subject to Court approval, in exchange for the General Release 20 and for their time and effort in bringing and prosecuting this matter, Plaintiffs shall each be paid 21 up to a maximum of \$10,000.00 (\$30,000.00 total). This payment is expressly made for their time 22 and effort in service as class representatives and in return for a General Release of all claims of 23 24 Plaintiffs against Defendant, as set forth in Section III, Paragraph 4 above. This time and effort 25 payment shall be paid to the Plaintiffs by the Settlement Administrator no later than forty (40) calendar days after the Effective Date. The Service Award shall be made solely from the Qualified 26 27 Settlement Fund. The Parties agree that a decision by the Court to award Plaintiffs an amount less 28 than the amount stated above shall not be a basis for the Plaintiffs or Plaintiffs' Counsel to void

1 this Stipulation. The Settlement Administrator shall issue a Form 1099 - MISC, Box 3 for the 2 Service Awards. Any amount awarded for service payments to the Plaintiffs less than the amounts 3 stated above will result in the non-awarded funds being part of the Net Class Settlement Fund 4 available for distribution to the Participating Class Members. The Plaintiffs shall be solely and 5 legally responsible to pay any and all applicable taxes on this payment and shall hold Defendant 6 harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Service 7 Award. The Service Award shall be in addition to the Plaintiffs' share of the Net Class Settlement 8 Fund as a Participating Class Member.

9 6. <u>Tax Liability</u>. Defendant makes no representations as to the tax treatment or legal
10 effect of the payments called for hereunder, and Plaintiffs are not relying on any statement or
11 representation by Defendant in this regard. Plaintiffs understand and agree that Plaintiffs will be
12 solely responsible for the payment of any taxes and penalties assessed on their individual Service
13 Award and general release payment described herein.

14 7. **CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR** 15 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY 16 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS 17 18 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR 19 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS 20 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE 21 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE 22 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR 23 PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED 24 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX 25 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS 26 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE 27 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY 28

1 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY 2 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE 3 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER 4 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY 5 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF 6 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE 7 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY 8 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS 9 AGREEMENT.

10 8. Creation of the Qualified Settlement Fund and Administration of the Settlement. 11 Within thirty (30) calendar days after the Effective Date, Defendant shall deliver the Gross 12 Settlement Amount as required by this Stipulation, into the Qualified Settlement Fund created by 13 the Settlement Administrator. All payments that Defendant are required to make pursuant to the 14 Settlement Agreement shall be made from this Fund. Payments from the Qualified Settlement 15 Fund shall be made for: (1) Service Award to the Plaintiffs, as specified in this Agreement and 16 approved by the Court; (2) Attorneys' Fees and Cost Award paid to Class Counsel, as specified in 17 this Agreement and approved by the Court; (3) the Settlement Administration Costs; and (4) the 18 amount allocated to be paid to the LWDA as PAGA penalties. The balance remaining shall 19 constitute the Net Class Settlement Fund from which Individual Settlement Payments shall be 20 made to the Participating Class Members. The Settlement Administrator shall calculate and make 21 all payments on Defendant's behalf and shall be responsible for any reporting obligations on the 22 same. The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class 23 Member for the portion of each Individual Settlement Payment allocated as alleged unpaid non-24 wage penalties and interest and not subject to payroll tax withholdings. The Settlement 25 Administrator shall calculate the amount of the employer's share of payroll taxes and shall remit 26 and report the applicable portions of the payroll tax payment to the appropriate taxing authorities 27 in a timely manner. The employer-owed taxes shall be funded by Defendant separately from the 28 Gross Settlement Amount, and distributed by the Settlement Administrator. In the event this

Settlement does not become final for any reason, as set forth at Section III, Paragraph 19 of the
 Agreement (Nullification of Settlement Agreement), then the Gross Settlement Amount, along
 with any interest accrued, shall be returned to Defendant immediately within seven (7) calendar
 days, except that any fees already incurred by the Settlement Administrator shall be paid by
 Defendant.

6 9. Attorneys' Fees and Cost Award. Defendant agrees not to oppose or impede any 7 application or motion by Class Counsel for attorneys' fees not in excess of One Third (1/3) or 8 \$2,050,000.00 of the Gross Settlement Amount and costs not to exceed \$50,000.00. Any amount 9 awarded for attorneys' fees and costs to Class Counsel less than the requested amounts will result 10 in the non-awarded amounts to be part of the Net Class Settlement Fund, available for distribution 11 to Participating Class Members. So long as there are no objections, Class Counsel shall be paid 12 any Court-approved fees and costs no later than forty (40) calendar days after the Effective Date. 13 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment 14 made pursuant to this Paragraph. Forms 1099 – MISC, Box 14 shall be provided to Class Counsel 15 for the payments made pursuant to this Paragraph.

16 10. Settlement Administrator. The Settlement Administrator shall be paid for the costs 17 of administration of the settlement from the Gross Settlement Amount. The estimate of such costs 18 of administration for the disbursement of the Gross Settlement Amount is \$75,000.00. Any 19 amount awarded for costs of administration to the Settlement Administrator less than \$75,000.00 20 will result in the non-awarded amount to be part of the Net Class Settlement Fund, available for distribution to Participating Class Members. This estimate includes the required tax reporting on 21 22 the settlement amounts, including the issuing of 1099 forms. The Administrator shall be responsible for all tax reporting requirements. No later than sixteen (16) court days prior to the 23 24 Final Approval Hearing, the Settlement Administrator shall provide the Court and all counsel for 25 the Parties with a statement detailing the costs of administration of the Gross Settlement Amount. A Form 1099 - MISC, Box 7 shall be issued to the Settlement Administrator. The Settlement 26 27 Administrator will also cooperate with Class Counsel's requests for data relating to information 28 about the Settlement benefits payable to class members, opt-outs, objections, or other data

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1 necessary to support Final Settlement Approval. This shall include declaration testimony by a 2 representative of the Settlement Administrator but shall specifically exclude names and contact information for the Class Members who request exclusion from the Settlement, which shall be kept 3 4 confidential, as set forth in Section III, Paragraph 11.

5 Preliminary Approval Hearing. As part of this Settlement, the Parties agree to the 11. following procedures for obtaining preliminary Court approval of the Settlement, notifying Class 6 Members, obtaining final Court approval of the Settlement, and processing the Individual 7 Settlement Payments:

9 a. The Parties stipulate to class certification of the Class for purposes of 10 settlement only. If the Court does not grant either preliminary or final approval of this Settlement, 11 the Parties stipulate that class certification will be revoked.

b. Plaintiffs shall request a hearing before the Court to request preliminary approval of the Settlement and to request the entry of the Preliminary Approval Order.

14 In conjunction with this hearing, Plaintiffs will submit this Stipulation, c. 15 which sets forth the terms of this Settlement, and will include proposed forms of all notices and other documents as attached hereto which are necessary to implement the Settlement. The Order 16 17 shall provide for Notice of the Settlement and related matters to be sent to Class Members as 18 specified herein.

19 12. Settlement Administration/Management. The Individual Settlement Payments 20 shall be managed and administered as follows:

21 a. Defendant shall have no obligation to segregate the funds to be used for the 22 Gross Settlement Amount from its other assets. Defendant will retain exclusive authority over, and responsibility for, the funds comprising the Gross Settlement Amount until such time as 23 24 payment is due (30 calendar Days after the Effective Date).

25 Ь. CPT Group, Inc., or such other entity upon whom the Parties mutually 26 agree, shall be retained to serve as Settlement Administrator. The Parties each represent they do 27 not have any financial interest in the Settlement Administrator or otherwise have a relationship 28 with the Settlement Administrator that could create a conflict of interest.

1 Defendant shall provide the Settlement Administrator only, the Class List c. and Data Report, as described in Section I, Paragraph 8 supra, within thirty (30) business days of 2 3 Preliminary Approval of the settlement. The Settlement Administrator shall maintain the Class 4 List and Data Report, and all data contained within the Class List and Data Report shall be kept 5 private and confidential. The Settlement Administrator shall not be permitted to share any class 6 information included in the Class List and Data Report with Plaintiffs or Class Counsel absent 7 express written approval by Defendant or Defense Counsel. The Settlement Administrator is 8 permitted to share the aggregate total number of Class Members, Weeks Worked, and other such 9 data points with Class Counsel for purposes of monitoring and administering this Settlement.

d. Within fifteen (15) business days of receipt of the Class List and Data
Report, the Settlement Administrator shall mail the Notices, to each Class Member in accordance
with Paragraph 12 *infra*.

No later than sixteen (16) court days prior to the Final Approval Hearing 13 e. 14 the Settlement Administrator shall provide Defendant and Class Counsel a report showing: (i) the 15 names and number of Class Members who have objected to the Settlement; (ii) the number of the 16 Class Members who have not timely filed valid requests for exclusion; (iii) the number of Class 17 Members who filed valid and timely requests for exclusion from the settlement; and (iv) the 18 number of and amount owed to each Participating Class Member. Defendant will also be 19 confidentially provided the names of each Class Member who filed a valid and timely request for 20 exclusion.

f. The Parties agree to cooperate in the settlement administration process and
to make all reasonable efforts to control and minimize the costs and expenses incurred in
administration of the Settlement.

g. The Settlement Administrator shall be responsible for: printing and mailing
the Notices to Class Members as directed by the Court; receiving and reporting the opt-outs and
objections submitted by Class Members; mailing Individual Settlement Payments to Participating
Class Members; and other tasks as the Parties mutually agree or the Court orders the Settlement
Administrator to perform. The Settlement Administrator shall keep Defendant, Defendant's

Counsel and Class Counsel timely apprised of the performance of all Settlement Administrator
 responsibilities.

h. The Settlement Administrator, on Defendant's behalf, shall have the
authority and obligation to make payments, credits and disbursements, including payments and
credits in the manner set forth herein, to Participating Class Members calculated in accordance
with the methodology set out in this Agreement and orders of the Court, and the Settlement
Administrator shall furnish counsel with the procedures it has in place to ensure that all payments
to be made shall be made to the parties entitled to said payments.

9 i. Any tax return filing required by this Agreement shall be made by the
10 Settlement Administrator. Any expenses incurred in connection with such filing shall be a cost of
11 administration of the Settlement.

j. No person shall have any claim against Defendant or Defendant's Counsel,
 Plaintiffs, Participating Class Members, the Class, Class Counsel or the Settlement Administrator
 based on distributions and payments made in accordance with this Agreement.

15 13. <u>Calculation of Individual Settlement Amount</u>. To determine the Individual
16 Settlement Payment for each Participating Class Member, the Settlement Administrator will:

a. Divide the number of Weeks Worked by the Participating Class Member by
the total number of Weeks Worked by all Participating Class Members during the Class Period.
The resulting percentage shall be applied to the Net Settlement Fund to determine the Individual
Settlement Payment for that Participating Class Member.

b. For taxation purposes, the Individual Settlement Payment to each
Participating Class Member shall be allocated eighty percent (80%) to penalties and interest and
reported on a 1099 Form; and twenty percent (20%) to wages and reported on a W-2 Form.

c. The Settlement Administrator shall determine the eligibility for, and the
amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement.

26 d. Only Participating Class Members shall be entitled to Individual Settlement
27 Payments.

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e. The Settlement Administrator shall be responsible for issuing the payments

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and for federal and state tax reporting obligations.

f. Payments to the Class Members pursuant to this Stipulation will not count
as earnings or compensation for purposes of any benefit plans (e.g., 401(k) plans, retirement plans,
etc.) sponsored by Defendant.

5 14. <u>Notice to Class Members</u>. Notice of the Settlement shall be provided to all Class
6 Members using the following procedures:

7 Notice by First-Class Mail. Within fifteen (15) business days after receipt a. 8 of the Class List and Data, the Settlement Administrator shall mail the Notices to the Class 9 Members via first-class regular U.S. mail. Prior to mailing, the Settlement Administrator will 10 perform a search based on the National Change of Address Database information to update and 11 correct for any known or identifiable address changes. If a new address is obtained by way of a 12 returned Notice Packet, then the Settlement Administrator shall promptly forward the original Notice Packet to the updated address via first-class regular U.S. mail indicating on the original 13 14 Notice Packet the date of such re-mailing.

15 b. Opt-Out/Objection Deadline Date. Class Members will have thirty (30) 16 calendar days from the mailing of the Notices to opt-out, or object to the settlement. If the 30th 17 day falls on a Sunday or Federal holiday, the deadline will be extended to the next day on which 18 the U.S. Postal Service is open. The deadline may also be extended by express agreement between 19 Class Counsel and Defense Counsel. Under no circumstances, however, will the Settlement 20 Administrator have the authority to extend the deadline for Class Members to submit an objection 21 or opt-out to the Settlement. Class Members who receive a re-mailed Notice shall have their Opt-Out/Objection Deadline Date extended fifteen (15) calendar days from the original Opt-22 23 Out/Objection Deadline Date.

c. <u>Procedure for Undeliverable Notices</u>. Any Notices returned to the Settlement Administrator as non-delivered on or before the Opt-Out/Objection Deadline Date shall be sent to the forwarding address affixed thereto within five (5) calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer or other search using the name, address and/or Social Security number of the individual involved and shall then perform a single re-mailing within
 five (5) calendar days. In the event the procedures in this paragraph are followed and the intended
 recipient of a Notice still does not receive the Notice, the Class Member shall be bound by all
 terms of the Settlement and any Final Judgment entered by the Court if the Settlement is approved
 by the Court.

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10 11 d. At least Sixteen (16) court days prior to the Final Approval Hearing the Settlement Administrator shall provide Defendant and Class Counsel a report showing: (i) the names and number of Class Members objecting to the settlement; (ii) the number of the Participating Class Members; (iii) the number of Class Members opting out of the settlement; and (iv) the amount owed to each Participating Class Member. Defendant will also be confidentially provided the names of each Class Member who filed a valid and timely request for exclusion.

1215.Procedure for Objecting to or Opting Out of the Class Action Settlement. The Class13Members shall submit objections to and opt-out of the Settlement, using the following procedures:

14 a. Procedure for Objecting. The Notices shall provide that those Class 15 Members who wish to object to the Settlement must mail a written statement of objection ("Notice 16 of Objection") to the Settlement Administrator no later than the Opt-Out/Objection Deadline Date. 17 The postmark date of the mailing shall be deemed the exclusive means for determining that a 18 Notice of Objection is timely. The Notice of Objection must contain a statement of the Class 19 Member's objections, and any legal briefs, papers or memoranda the objecting Class Member 20 proposes to submit to the Court. Class Members who fail to make written objections in the manner 21 specified above shall be deemed to have waived any objections and shall be foreclosed from 22 making any objection (whether by appeal or otherwise) to the Settlement Agreement. Within two 23 (2) business days after receipt of a Notice of Objection, the Settlement Administrator shall provide 24 counsel for the Parties with complete copies of all objections received, including the postmark 25 dates for each objection. No later than sixteen (16) court days before the Settlement Fairness 26 Hearing, the Settlement Administrator shall provide counsel for the Parties with a declaration 27 attaching and authenticating a copy of every Notice of Objection and Request for Exclusion 28 received.

1 b. Procedure for Opting Out. The Notices to Class Members shall provide that 2 those Class Members who wish to opt-out of the Settlement must mail a written signed request for 3 exclusion expressing his or her desire to opt-out from the settlement. The request for exclusion must: (1) include the name (and former names, if any), current address, telephone number, and the 4 last four (4) digits of the Social Security number of the Class Member; (2) state something 5 6 substantially similar to, "I want to exclude myself from this Settlement in Ross, et al. v. Stater 7 Bros. Markets. I understand that by requesting to be excluded from the Settlement, I am not 8 participating in the Settlement and will receive no money from the Settlement."; (3) be addressed 9 to the Settlement Administrator; (4) be signed by the Class Member or his or her lawful 10 representative; and (5) be postmarked no later than the Opt-Out/Objection Deadline Date. Any 11 Class Member who submits a valid and timely request for exclusion form shall no longer be a 12 member of the Class, shall be barred from participating in this Settlement, shall be barred from objecting to this Settlement, and shall receive no benefit from this Settlement. However, Class 13 14 Members will be deemed to have released any claims arising out of the PAGA, regardless of 15 whether they submit a Request for Exclusion.

16 c. <u>No Solicitation of Settlement Objections or Opt-Outs</u>. The Parties agree to
17 use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties
18 or their counsel seek to solicit or otherwise encourage or influence Class Members to submit
19 written objections to or requests for exclusion from of the Settlement, or to appeal from the Order
20 and Final Judgment.

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16. <u>Procedure for Dispute of Weeks Worked.</u>

a. If a Class Member disputes the number of Weeks Worked that is the basis
for their settlement figure provided in the notice, then the Class Member must submit such dispute,
along with any supporting documentation, to the Settlement Administrator by the OptOut/Objection Deadline Date. The Settlement Administrator will forward the dispute to counsel
for Defense Counsel and Class Counsel (Class Counsel will receive a redacted version which
eliminates the name and contact information of the Class Member), and Defendant will investigate
the dispute. The Settlement Administrator will decide the dispute, and will provide the Class

Member with the results of the investigation. Failure of the Class Member to submit
 documentation to support his/her dispute, will result in the Class Member being paid pursuant to
 Defendant's records.

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17. <u>Procedure for Payment of Individual Settlement Payments:</u>

a. All Participating Class Members will receive an Individual Settlement
Payment distributed through the Settlement Administrator from the Qualified Settlement Fund.

b. Individual Settlement Payments for Participating Settlement Class
Members shall be paid pursuant to the settlement formula set forth herein, and shall be mailed
within forty (40) calendar days after the Effective Date.

c. Should any question arise regarding the determination of eligibility for, or
the amounts of, any Individual Settlement Payment under the terms of this Agreement, Class
Counsel and Defendant's Counsel shall meet and confer in an attempt to reach an agreement. If
they cannot agree, the Settlement Administrator shall make the final determination, and that
determination shall be conclusive, final, and binding on all Parties, including all Participating Class
Members.

d. If a check sent to a valid and timely Participating Class Member is returned
with a forwarding address provided by the Postal Service, it shall be re-mailed to the forwarding
address provided. If a check is returned as undeliverable by the Postal Service or is otherwise
designated by the Postal Service as having been sent to an invalid address, and the Participating
Class Member did not provide the Settlement Administrator with additional address information
after the mailing of the check, the Settlement Administrator shall have no further obligation to
mail the check to the Participating Class Member.

e. To the extent any Participating Class Member fails to cash a settlement
check within 180 days of issuance, the uncashed funds, including interest accrued in the QSF, will
escheat to the California State Controller's Office's unclaimed property fund to be held in the
name of the Participating Class Member.

27 18. <u>Certification by Settlement Administrator</u>. Upon completion of administration of
 28 the distributions, the Settlement Administrator shall provide written certification of such

1 completion to the Court and counsel for all Parties.

2 Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration 19. of the Opt-Out/Objection Deadline Date, with the Court's permission, a Final Fairness Hearing 3 shall be conducted to determine final approval of the Settlement along with the amount properly 4 payable for (i) reasonable attorneys' fees and costs, (ii) any Service Awards, and (iii) cost of 5 administration. Upon final approval of the Settlement by the Court the Parties shall present the 6 7 Final Judgment to the Court for its approval. After entry of the Final Judgment, the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and 8 9 enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-Final Judgment matters as may be appropriate under court rules or as set forth in this 10 11 Agreement.

12 20. Nullification of Settlement Agreement. In the event that ten percent (10%) or more 13 Class Members opt-out of the Settlement, Defendant, in its sole discretion, may exercise its option 14 of nullifying the Agreement. In order to exercise this option, Defendant must notify Class Counsel 15 in writing within twenty (20) business days of learning from the Administrator that the number of opt-outs equals ten percent (10%) or more. If the option is exercised, this Settlement Agreement 16 17 shall be null and void, and any order or judgment entered by the Court in furtherance of this 18 Settlement shall be treated as void from the beginning, and the Stipulations and Recitals contained 19 herein shall be of no force or effect, and shall not be treated as an admission by any parties or their 20 Counsel. In such a case, the Parties and any funds to be awarded under this Settlement shall be 21 returned to their respective statuses as of the date and time immediately prior to the execution of 22 this Agreement (along with any accrued interest), and the Parties shall proceed in all respects as if 23 this Settlement Agreement had not been executed, except that any fees already incurred by the 24 Settlement Administrator shall be paid by Defendant.

In addition, in the event: (i) the Court does not enter the Final Approval Order specified herein; (ii) the Court does not finally approve the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided herein, which becomes final as a result of the occurrence of the Effective Date; or (iv) the Settlement does not become final for any other reason,

this Settlement Agreement shall be null and void, and any order or judgment entered by the Court
 in furtherance of this Settlement shall be treated as void from the beginning, and the Stipulations
 and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission
 by any parties or their Counsel.

In the event the settlement does not become final and/or effective as set forth herein: (1) 5 Defendant shall file a Notice of Removal within 30 days of the recission of the settlement, the 6 order denying the class action settlement, or any other relevant triggering event; (2) the previously-7 filed Joint Stipulation to Remand shall be rendered null and void with respect to the requested 8 9 remand; (3) any order or judgment entered by federal Court in furtherance of the contemplated settlement shall be treated as void from May 14, 2021 onwards, and (4) neither the Notice of 10 Settlement and Joint Stipulation to Stay Proceedings Pending Stipulation to Remand nor the 11 Stipulation to Remand, nor any documents related to them shall be used by any class member, 12 party, or counsel to support any claim in the Action (including but not limited to class certification 13 14 or to establish or nullify federal jurisdiction in this matter), and shall not be used in any other civil. 15 criminal or administrative action against Defendant or any of the other party released by way of 16 the settlement. Additionally, should the settlement not become final, the Parties will jointly request that the federal Court reopen proceedings within thirty (30) calendar days of removal, so that the 17 federal Court may resume proceedings and briefing as though no settlement had occurred. 18 19 Accordingly, should the class action settlement fail to become effective (either because of recission 20 or lack of judicial approval or otherwise), the Parties shall have all rights and defenses which 21 existed in the Action as of May 14, 2021.

22 21. <u>Publicity</u>. Neither the Plaintiffs, nor Plaintiffs' Counsel, shall issue any press 23 release related in any way to the Settlement. From and after preliminary approval of the settlement, 24 the Class Members (including the Plaintiffs and Class Counsel) may: (1) as required by law; (2) 25 as required under the terms of the Settlement; or (3) as required under counsel's duties and 26 responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. Neither 27 Class Counsel nor Plaintiffs will make any public disclosures of any kind regarding the Settlement 28 or this Stipulation, including but not limited to postings on Class Counsel's websites and postings

on any social media sites/outlets, until after the Motion for Preliminary Approval is filed. Class
Counsel will take all steps necessary to ensure Plaintiffs are aware of, and will encourage them to
adhere to, the restriction against any public disclosures regarding the Settlement and this
Stipulation until after Preliminary Approval. Further, Class Counsel will not include, reference or
use the Settlement for any marketing or promotional purposes, or for attempting to influence
business relationships at Stater Bros. Inc., either before or after the Motion for Preliminary
Approval is filed.

8 22. <u>Dispute Resolution</u>. Except as otherwise set forth herein, all disputes concerning 9 the interpretation, calculation or payment of settlement claims, or other disputes regarding 10 compliance with this Agreement shall be resolved as follows:

a. If Plaintiffs or Class Counsel, on behalf of Plaintiffs or any Participating
Class Member, or Defendant at any time believes that the other Party has breached or acted
contrary to the Agreement, that Party shall notify the other Party in writing of the alleged violation.

b. Upon receiving notice of the alleged violation or dispute, the responding
Party shall have ten (10) calendar days to correct the alleged violation and/or respond to the
initiating Party with the reasons why the party disputes all or part of the allegation.

17 c. If the response does not address the alleged violation to the initiating Party's
18 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
19 differences.

d. If Class Counsel and Defendant are unable to resolve their differences after
twenty (20) calendar days, either Party may file an appropriate motion for enforcement with the
Court pursuant to CCP § 664.6.

e. Reasonable attorneys' fees and costs for work done in resolving a dispute
under this Section may be recovered by any party that prevails under the standards set forth within
the meaning of applicable law.

26 23. <u>No Retaliation</u>. Defendant shall not take any adverse action against any Class
27 Member, including Plaintiffs, because of the Action or because of the existence of, and/or
28 participation in, the Settlement, or because they choose to benefit from the Settlement or to object

to the Settlement. The Parties and their counsel shall not take action to discourage Class Members
 from participating in the Settlement. Notice to the Class Members will include a statement that
 Defendant will not retaliate against Class Members for participating in the Settlement.

4 24. <u>Exhibits and Headings</u>. Any exhibits to this Agreement are an integral part of the
5 Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted
6 for convenience of reference only and do not constitute a part of this Agreement.

7 25. Interim Stay of Proceedings. The Parties agree to the Court staying and holding all
8 proceedings in the Action, except such proceedings necessary to implement and complete the
9 Settlement, in abeyance pending the Settlement Hearing to be conducted by the Court.

10 26. <u>Amendment or Modification</u>. This Agreement may be amended or modified only
11 by a written instrument signed by counsel for all Parties or their successors-in-interest.

12 27. <u>Entire Agreement</u>. This Agreement and any attached exhibits constitute the entire 13 agreement among these Parties, and no oral or written representations, warranties or inducements 14 have been made to any Party concerning this Agreement or its exhibits other than the 15 representations, warranties and covenants contained and memorialized in such documents.

16 28. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant 17 and represent they are expressly authorized by the Parties whom they represent to negotiate this 18 Agreement and to take all appropriate action required or permitted to be taken by such Parties 19 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to 20 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each 21 other and use their best efforts to affect the implementation of the Settlement. In the event the 22 Parties are unable to reach agreement on the form or content of any document needed to implement 23 the Settlement, or on any supplemental provisions that may become necessary to effectuate the 24 terms of this Settlement, the Parties may seek the assistance of the Court to resolve such 25 disagreement. The persons signing this Agreement on behalf of Defendant represents and warrants 26 that they are authorized to sign this Agreement on behalf of Defendant.

27 29. <u>Binding on Successors and Assigns</u>. This Agreement shall be binding upon, and
28 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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130.California Law Governs.All terms of this Agreement and the exhibits hereto shall2be governed by and interpreted according to the laws of the State of California.

3 31. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts,
4 physically or electronically. All executed counterparts and each of them shall be deemed to be
5 one and the same instrument.

32. <u>This Settlement is Fair, Adequate, and Reasonable</u>. The Parties believe this
Settlement is a fair, adequate, and reasonable settlement of this Action and have arrived at this
Settlement after extensive arm's-length negotiations, taking into account all relevant factors,
present and potential and the extensive investigation that has occurred.

33. Jurisdiction of the Court. Pursuant to CCP § 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith. The prevailing party to any such enforcement action shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with such enforcement.

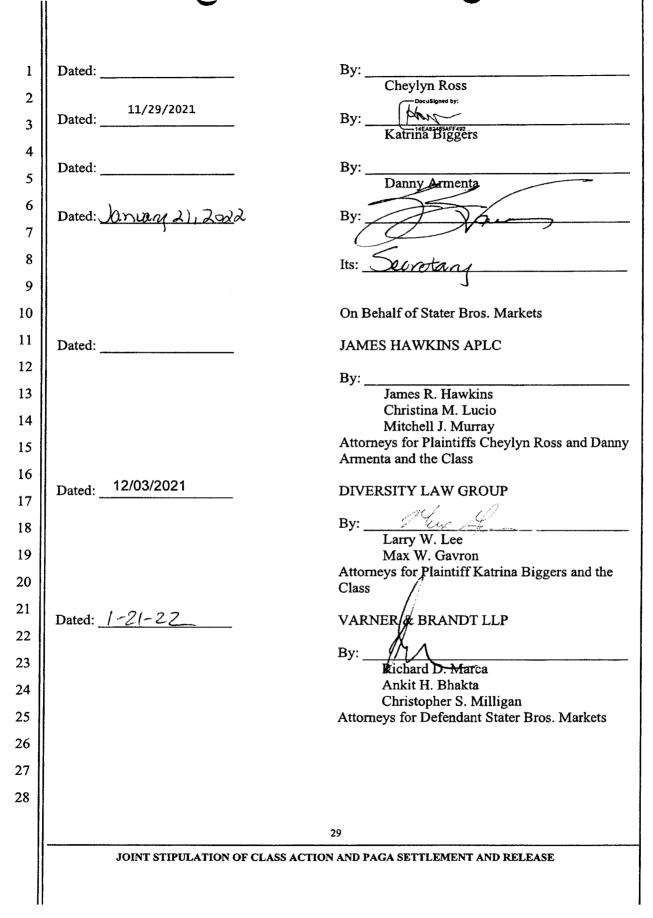
17 34. <u>Cooperation and Drafting</u>. Each of the Parties has cooperated in the drafting and
18 preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall
19 not be construed against any of the Parties.

35. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Agreement
 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
 consistent with applicable precedents so as to define all provisions of this Agreement valid and
 enforceable.

24 35. <u>Plaintiffs' Waiver of Right to Object</u>. Plaintiffs waive any right to object to this
25 Agreement, and by signing this Agreement are bound by the terms herein.

[SIGNATURES ON NEXT PAGE]

28



Dated:	By: cheyfyriods (Dec. 16, 2021 12:34 PST) Cheylyn Ross
Dated:	By: Katrina Biggers
Dated:	By: Danny Armenta
Dated:	By:
	Its:
	On Behalf of Stater Bros. Markets
Dated: January 4, 2022	JAME S HAW KINS APC By:
	By: Jarkt
	Christina M. Lucio
	Mitchell J. Murray Attorneys for Plaintiffs Cheylyn Ross and Dat
	Armenta and the Class
Dated:	DIVERSITY LAW GROUP
	By: Larry W. Lee
	Larry W. Lee Max W. Gavron
	Attorneys for Plaintiff Katrina Biggers and the Class
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Dated:	VARNER & BRANDT LLP
	By: Richard D. Marca
	Ankit H. Bhakta Christopher S. Milligan
	Attorneys for Defendant Stater Bros. Markets
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Dated:	By: Cheylyn Ross
Datadi	
Dated:	By: Katrina Biggers
Dated:	By: Dammy Armenta (Dec. 36, 2021 12:06 F51) Danny Armenta
	Danny Armenta
Dated:	By:
	Its:
	On Behalf of Stater Bros. Markets
Dated:	JAMES HAWKINS APLC
	By: James R. Hawkins
	Christina M. Lucio
	Mitchell J. Murray Attorneys for Plaintiffs Cheylyn Ross and Dan Armenta and the Class
Dated:	DIVERSITY LAW GROUP
	By: Larry W. Lee
	Max W. Gavron Attorneys for Plaintiff Katrina Biggers and the Class
Dated:	VARNER & BRANDT LLP
	Bv:
	By: Richard D. Marca Ankit H. Bhakta
	Christopher S. Milligan
	Attorneys for Defendant Stater Bros. Markets
	29
	N OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

Exhibit A

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26		
27 28		
20	SECOND AMENDE	D CLASS ACTION COMPLAINT

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Larry W. Lee (State Bar No. 228175) Max W. Gavron (State Bar No. 29167) DIVERSITY LAW GROUP, P.C. 515 S. Figueroa Street, Suite 1250 Los Angeles, CA 90071 Telephone: (213) 488-6555 Faesimile: (213) 488-6554 William L. Marder, Esq. (State Bar No. 170131) Polaris Law Group LLP 551 San Benito Street, Suite 200 Hollister, CA 95023 Tel: (831) 531-4214 Fax: (831) 634-0333 Attorneys for Plaintiffs KATRINA BIGGERS, on behalf of herself and all others similarly situated
	- 1 -
	SECOND AMENDED CLASS ACTION COMPLAINT

Plaintiffs Cheylyn Ross, Danny Armenta, and Katrina Biggers ("Plaintiffs"), individually and on behalf of all others similarly situated, assert claims against Defendant Stater Bros. Markets ("Defendant") and DOES 1through 50 (collectively "Defendants") as follows:

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INTRODUCTION

The purpose of this Second Amended Complaint is to add Katrina Biggers and
 Danny Armenta as named plaintiffs/class representatives, and add any and all claims and causes of
 action that were asserted in the civil actions entitled *Katrina Biggers v. Stater Bros. Markets*, San
 Bernardino County Superior Court Case No. CIVDS1914122, *Katrina Biggers v. Stater Bros. Markets*, San Bernardino County Superior Court Case No. CIV DS 2010164, *Danny Armenta v. Stater Bros. Markets*, Riverside County Superior Court Case No. RIC2000225, *Danny Armenta v. Stater Bros. Markets*, Riverside County Superior Court Case No. RIC2003532.

This is a Class Action, pursuant to California Code of Civil Procedure section 382,
 on behalf of Plaintiffs and any and all persons who are or were employed by Stater Bros. Markets,
 as non-exempt, hourly retail employees in the State of California between September 7, 2018
 through November 10, 2021 (collectively referred to as the "Class" or "Class Members" or "Non Exempt Employees").

17 3. During the Class Period, Defendants consistently maintained and enforced against 18 its Non-Exempt Employees unlawful practices and policies in violation of California state wage 19 and hour laws, including failing to lawfully and accurately pay Plaintiffs and Class Members for all hours worked, including minimum wages and overtime; failing to compensate for off-the-clock 20 21 work; failing to lawfully provide meal and rest periods; failing to pay one hour of pay at the 22 employee's regular rate of pay when legally mandated meal or rest periods were not lawfully 23 provided; failing to reimburse necessary expenses including but not limited to reimbursement for 24 uniforms; failing to accurately pay overtime; failing to provide sick pay at the correct rate; failing 25 to timely pay all wages at the time of termination; failing to provide accurate itemized wage statements; and failing to keep accurate records. 26

27 4. Defendants implemented uniform policies and practices that deprived Plaintiffs and
28 Class Members of earned wages, including minimum wages; overtime wages; premium wages;

lawful meal and/or rest breaks; reimbursement for necessary expenses; and timely payment of
 wages.

5. 3 Such actions and policies, as described above and further herein, were and continue to be in violation of the California Labor Code. Plaintiffs, on behalf of themselves and all Class 4 members, bring this action pursuant to the California Labor Code, including sections 201, 202, 203, 5 204, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 510, 512, 516, 1174, 1194, 1194.2, 1195, 1197, 6 1198, 2802, 2698 et seq., 2699 et seq., applicable IWC California Wage Orders and California 7 Code of Regulations, Title 8, section 11000 et seq., the California Private Attorneys General Act 8 9 of 2004 ("PAGA"), California Business and Professions Code § 17200, et seq.; and California Code of Civil Procedure § 1021.5 seeking unpaid minimum wage and overtime wages, unpaid meal and 10 11 rest period compensation, unreimbursed expenses, penalties, liquidated damages, and reasonable attorneys' fees and costs. 12

6. Plaintiffs, on behalf of themselves and others similarly situated, pursuant to
Business and Professions Code sections 17200-17208, also seek restitution from Defendants for
their failure to pay to Plaintiffs and Class Members all of their wages, including minimum, overtime
and premium wages, and for the failure to reimburse expenses.

Pursuant to the Private Attorneys General Act, Labor Code section 2698 et seq.,
 Plaintiffs also seeks penalties on behalf of all aggrieved employees for the violations set forth
 herein.

8. The group of aggrieved employees includes, without limitation, all non-exempt,
hourly retail employees.

22

JURISDICTION AND VENUE

9. This action is brought as a Class Action on behalf of Plaintiffs and similarly situated
employees of Defendants pursuant to California Code of Civ. Proc. Section 382. The monetary
damages and restitution sought by Plaintiffs exceeds the minimum jurisdiction limits of the
California Superior Court and will be established according to proof at trial.

27 10. This Court has jurisdiction over this action pursuant to the California Constitution
28 Article VI §10, which grants the California Superior Court original jurisdiction in all causes except

those given by statute to other courts. The statutes under which this action is brought do not give
 jurisdiction to any other court.

3 11. This Court has jurisdiction over this Action pursuant to California Code of Civil
4 Procedure, Section 410.10 and California Business & Professions Code, Section 17203.

5 12. This Court has jurisdiction over Defendants because, upon information and belief, 6 each Defendant is either a resident of California, has sufficient minimum contacts in California, or 7 otherwise intentionally avails itself of the California market so as to render the exercise of 8 jurisdiction over them by the California Courts consistent with traditional notions of fair play and 9 substantial justice. Defendants have done and are doing business throughout California and San 10 Bernardino County.

11 13. The unlawful acts alleged herein have a direct effect on Plaintiffs and the other
12 similarly situated Non-Exempt Employees within San Bernardino County and throughout the state.
13 It is believed that Defendants have employed hundreds of Class Members as Non-Exempt
14 Employees in San Bernardino County and throughout the state.

15 14. Venue is proper in this Court because one or more of the Defendants reside, transact
16 business, or have offices in this County, Plaintiffs is a resident of this County, and the acts or
17 omissions alleged herein took place in this County.

PARTIES

19 15. Defendant Stater Bros. Markets is a California corporation in good standing that is
20 authorized to do business throughout the state. The company's headquarters are located at
21 301 South Tippecanoe Avenue San Bernardino, CA 92408.

18

16. Stater Bros. Markets owns and operates supermarkets in Southern California. The
company was founded in 1936 and is based in San Bernardino, California. According to its website,
Stater Bros. Markets is the largest privately owned supermarket chain in Southern California. It
currently operates 172 facilities located in Southern California, including the facility located in San
Bernardino where the Plaintiffs worked during the liability period.

27 17. Plaintiff Cheylyn Ross is and, during the liability period, has been, a resident of
28 the County of San Bernardino, California.

- 4

118.Ross was employed by Stater Bros. Markets as a courtesy clerk in Defendant's2supermarket in San Bernardino, California from approximately May 2018 through July 2018.

19. Plaintiff Katrina Biggers was employed by Stater Bros. Markets from approximately
May 7, 2007 through April 2019. Throughout Biggers' employment with Defendant, she was a
non-exempt, hourly employee.

6 20. Plaintiff Danny Armenta was employed by Stater Bros. Markets as a Meat Cutter at
7 various of Defendant's supermarkets including Hemet, California from approximately May 2004
8 through September 2019.

9 21. Plaintiffs and the members of the putative class were employed in non-exempt,
10 hourly retail positions, however titled, at Stater Bros. market locations throughout the state of
11 California during the liability period. The members of the putative class include, without limitation,
12 non-exempt, hourly retail employees.

13 22. Whenever in this complaint reference is made to any act, deed, or conduct of
14 Defendants, the allegation means that Defendants engaged in the act, deed, or conduct by or through
15 one or more of Defendants' officers, directors, agents, employees, or representatives, who was
16 actively engaged in the management, direction, control, or transaction of the ordinary business and
17 affairs of Defendants.

18 23. The true names and capacities of Defendants, whether individual, corporate,
19 associate, or otherwise, sued herein as DOES 1 through 50, inclusive, are currently unknown to
20 Plaintiffs, who therefore sue Defendants by such fictitious names under Code of Civil Procedure §
21 474. Plaintiffs will seek leave of court to amend this Complaint to reflect the true names and
22 capacities of the Defendants designated hereinafter as DOES when such identities become known.

23 24. Plaintiffs are informed and believe, and thereon allege, that the Doe Defendants are
24 the partners, agents, or principals and co-conspirators of Defendants and of each other; that
25 Defendants and the Doe Defendants performed the acts and conduct herein alleged directly, aided
26 and abetted the performance thereof, or knowingly acquiesced in, ratified, and accepted the benefits
27 of such acts and conduct, and therefore each of the Doe Defendants is liable to the extent of the
28 liability of the Defendants as alleged herein.

25. Plaintiffs are further informed and believe, and thereon allege, that at all times 1 material herein, each Defendant was completely dominated and controlled by its co-Defendants 2 3 and each was the alter ego of the other. Whenever and wherever reference is made in this complaint to any conduct by Defendant or Defendants, such allegations and references shall also be deemed 4 5 to mean the conduct of each of the Defendants, acting individually, jointly, and severally. Whenever and wherever reference is made to individuals who are not named as Defendants in this 6 complaint, but were employees and/or agents of Defendants, such individuals, at all relevant times 7 8 acted on behalf of Defendants named in this complaint within the scope of their respective 9 employments.

10

FACTUAL ALLEGATIONS

26. During the relevant time frame, Defendants compensated Plaintiffs and the NonExempt Employees based upon an hourly wage.

27. Plaintiffs and the Class Members were, and at all times pertinent hereto, have been
non-exempt employees within the meaning of the California Labor Code, and the implementing
rules and regulations of the IWC California Wage Orders. They are subject to the protections of
the IWC Wage Orders and the Labor Code. They are not exempt from overtime requirements.

Plaintiffs are informed and believe, and thereon allege, that Defendants are and were
advised by skilled lawyers and other professionals, employees, and advisors with knowledge of the
requirements of California's wage and employment laws.

20 29. All Class Members are similarly situated in that they are all subject to Defendants'
21 uniform policies and systemic practices as specified herein.

30. Plaintiffs and the Class Members were not properly compensated for all hours worked, in part because they were frequently required to work off the clock. Such time worked off the clock, includes without limitation, the time that Plaintiffs and the Class Members spent laundering their uniforms. Plaintiffs and the Class Members were also required to work off the clock to perform work duties and functions either before or after shifts or during meal breaks. Such time should have been compensated.

28

31. In addition, Plaintiffs and the Class Members frequently worked in excess of eight

(8) hours in day and/or over forty (40) hours in a workweek, but were not properly paid for such
 time at a rate of time and one-half the employee's regular rate of pay per hour. Plaintiffs and the
 Class Members also often worked in excess of twelve (12) hours in one day and/or over eight (8)
 hours on the seventh day of the workweek, but were not properly paid for such time at a rate of
 two times the employee's regular rate of pay per hour.

6

Being provided a second lawful meal period as required by law.

33. Indeed, during the relevant time, as a consequence of Defendants' staffing and
scheduling practices, lack of coverage, work demands, and Defendants' policies and practices,
Defendants frequently failed to provide Plaintiffs and the Class Members timely, legally
complaint uninterrupted 30-minute meal periods on shifts over five hours as required by law. In
addition to not being legally provided in the first instance, meal breaks were frequently cut short
or interrupted.

15 34. On information and belief, Plaintiffs and Class Members did not waive their rights
16 to meal periods under the law.

17 35. Despite the above-mentioned meal period violations, Defendants failed to
18 compensate Plaintiffs, and on information and belief, failed to compensate Class Members, one
19 additional hour of pay at their regular rate as required by California law when meal periods were
20 not timely or lawfully provided in a compliant manner.

36. Plaintiffs are informed and believe, and thereon allege, that Defendants know,
should know, knew, and/or should have known that Plaintiffs and the other Class Members were
entitled to receive accurate premium wages under Labor Code §226.7 but were not receiving
accurately calculated compensation.

37. In addition, during the relevant time frame, Plaintiffs and the Non-Exempt
Employees were systematically not authorized and permitted to take one net ten-minute paid, rest
period for every four hours worked or major fraction thereof, which is a violation of the Labor
Code and IWC wage order.

38. Defendants maintained and enforced scheduling practices, policies, and imposed
 work demands that frequently required Plaintiffs and Class Members to forego their lawful, paid
 rest periods of a net ten minutes for every four hours worked or major fraction thereof. Such
 requisite rest periods were not timely authorized and permitted.

5 39. In addition, Plaintiffs and the Class Members were not allowed to leave the
6 premises during rest breaks in violation of the law.

40. Despite the above-mentioned rest period violations, Defendants did not
compensate Plaintiffs, and on information and belief, did not pay Class Members one additional
hour of pay at their regular rate as required by California law, including Labor Code section 226.7
and the applicable IWC wage order, for each day on which lawful rest periods were not
authorized and permitted.

41. Defendants failed to accurately record Plaintiffs' accrued sick leave balance and
itemize their sick leave balance, or paid time off leave provided in lieu of sick leave, on their
wage statements or in a separate writing provided on the designated pay date. Plaintiffs should
have accrued one hour per every 30 hours worked, yet there is no record that they were accruing
any sick leave.

42. Moreover, upon information and belief, Defendants failed to accurately calculate
sick leave and vacation pay by failing to include shift differentials and other premium pay in the
regular rate of pay. As a result, Class Members who are no longer employed by Defendants were
not paid all wages due and owing at the time of their separation from employment and are entitled
to waiting time penalties, pursuant to Labor Code § 203.

43. Moreover, Plaintiffs and the Class Members were required to incur necessary
expenses in the discharge of their duties, including without limitation, costs associated with
purchasing and maintaining their uniforms.

44. Defendants also failed to provide accurate, lawful itemized wage statements to
Plaintiffs and the Class Members in part because of the above specified violations. In addition,
upon information and belief, Defendants omitted an accurate itemization of total hours worked,
the name and address of the legal entity that is the employer, gross pay and net pay figures from

1 Plaintiffs and the Class Members' wage statements.

45. Defendants have also made it difficult to determine applicable rates of pay and
account with precision for the unlawfully withheld wages and deductions due to be paid to Nonexempt Employees, including Plaintiffs, during the liability period because they did not
implement and preserve a lawful record-keeping method to record all hours worked, meal
periods, and non-provided rest and meal periods owed to employees as required for non-exempt
employees by California Labor Code section 226, and applicable California Wage Orders.

8 46. Plaintiffs are informed and believe, and thereon allege, that at all times herein 9 mentioned, Defendants knew that at the time of termination of employment (or within 72 hours 10 thereof for resignations without prior notice as the case may be) they had a duty to accurately 11 compensate Plaintiffs and Class Members for all wages owed including minimum wages, overtime, 12 meal and rest period premiums, sick wages, reimburse expenses, and that Defendants had the 13 financial ability to pay such compensation, but willfully, knowingly, recklessly, and/or 14 intentionally failed to do so in part because of the above-specified violations.

47. Plaintiffs and the Class Members are covered by applicable California IWC Wage
Orders and corresponding applicable provisions of the California Code of Regulations, Title 8,
section 11000 *et seq*.

18

CLASS ACTION ALLEGATIONS

19 48. Plaintiffs bring this action on their own behalf, as well as on behalf of each and
20 every other person similarly situated, and thus, seeks class certification under California <u>Code of</u>
21 <u>Civil Procedure</u> §382.

49. All claims alleged herein arise under California law for which Plaintiffs seeks relief
as authorized by California law.

50. The proposed class is comprised of and defined as: all individuals employed by
Defendant as non-exempt, hourly retail employees within the State of California, at any time from
September 7, 2018 through November 10, 2021.

27 51. Plaintiffs also seek to represent Subclasses included in the Plaintiffs' Class, which
28 are composed of Class Members satisfying the following definitions:

All Class Members who were not paid at least minimum wage for all hours 1 a. 2 worked (collectively "Minimum Wage Subclass"); All Class Members who were not accurately paid overtime for hours worked b. 3 over eight in a day or over forty in a workweek (collectively "Overtime Subclass"); 4 All Class Members who were paid sick pay wages and shift differential 5 c. wages in the same workweek (collectively "Sick Pay Subclass"). 6 7 d. All Class Members who worked more than five (5) hours in a workday and 8 were not provided with a timely, uninterrupted lawful meal period of net thirty (30) minutes, and were not paid compensation of one hour premium wages at the employee's regular rate in lieu 9 thereof (collectively "Meal Period Subclass"); 10 All Class Members who worked more than three and a half hours in a 11 e. workday and were not authorized and permitted to take a lawful net 10-minute rest period for every 12 13 four (4) hours or major fraction thereof worked per day and were not paid compensation of one hour premium wages at the employee's regular rate in lieu thereof (hereinafter collectively referred 14 to as the "Rest Period Subclass"); 15 f. All Class Members who were not reimbursed for all necessary expenditures 16 (collectively "Indemnification Subclass"); 17 All Class Members who did not receive all owed wages at time of separation 18 g. or within 72 hours in the case of resignation (collectively "Waiting Time Subclass"); 19 All Class Members who were not provided with accurate and complete 20 h. itemized wage statements (collectively "Inaccurate Wage Statement Subclass"); 21 All Class Members who were employed by Defendants and subject to 22 i. 23 Defendant's Unfair Business Practices (collectively "Unfair Business Practices Subclass"). Plaintiffs reserve the right, under Rule 3.765, California Rules of Court, to amend 24 52. or modify the descriptions of the Class and Subclasses to provide greater specificity as appropriate, 25 or if it should be deemed necessary by the Court or to further divide the Class Members into 26 additional Subclasses or to limit the Subclasses to particular issues. Any reference herein to the 27 Class Members or the Plaintiffs' Class includes the members of each of the Subclasses. 28

Subclasses are easily ascertainable through Defendants' records.
 As set forth in further detail below, this action has been brought and may properly
 be maintained as a class action under the provisions of section 382 of the Code of Civil Procedure
 because there is a well-defined community of interest in the litigation, and the proposed Class and

a. <u>Numerosity</u>: The members of the Class and Subclasses are so numerous that joinder of all members of the Class and Subclasses would be unfeasible and impractical. The membership of the entire Class and Subclasses is unknown to Plaintiffs at this time, however, the Class is estimated to be hundreds of individuals. Accounting for employee turnover during the relevant periods necessarily increases this number substantially. Plaintiffs alleges Defendants' employment records would provide information as to the number and location of all Class Members. Joinder of all members of the proposed Class is not practicable.

b. The proposed class is easily ascertainable. The number and identity of the
class members are determinable from Defendants' payroll records and time records for each class
member.

c. <u>Commonality:</u> There are common questions of law and fact as to the Class
and Subclasses that predominate over questions affecting only individual Class Members. These
common questions of law and fact include, without limitation:

18 1) Whether Defendants accurately paid Class Members for all hours worked;

19 2) Whether Defendants paid Class Members at least minimum wage for each
20 hour worked;

3) Whether Defendants were required to pay Class Members for time spent
laundering and maintaining their uniforms;

4) Whether Defendants knew or should have known that Class Members were
required to perform work off the clock;

5) Whether Defendants accurately calculated and paid all Class Members
overtime premiums for the hours which Plaintiffs and Class Members worked in excess of eight
(8) hours per day and/or forty (40) hours per week;

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1	6) Whether Defendants had a policy and practice of providing lawful, timely	
2	meal periods in accordance with Labor Code § 512, as well as the applicable Industrial Welfare	
3	Commission ("IWC") wage order;	
4	7) Whether Defendants had a policy and practice of complying with Labor	
5	Code section 226.7 and IWC Wage Order on each instance that a lawful meal period was not	
6	provided;	
7	8) Whether Defendants failed to authorize and permit a lawful, net 10-minute	
8	rest period to the Class Members for every four (4) hours or major fraction thereof worked;	
9	9) Whether Defendants required employees to remain on the premises during	
10	rest periods;	
11	10) Whether Defendants had a policy and practice of complying with Labor	
12	Code section 226.7 and the IWC Wage Order on each instance that a lawful rest period was not	
13	provided;	
14	11) Whether Defendants failed to timely pay all wages upon separation in	
15	accordance with Labor Code sections 201-202;	
16	12) Whether Defendants failed to reimburse employees for necessary expenses	
17	in accordance with Labor Code section 2802;	
18	13) Whether Defendants omitted required information from itemized wage	
19	statements;	
20	14) Whether Defendants failed to maintain accurate records of Class Members'	
21	hours worked, earned wages, work periods, meal periods and deductions;	
22	15) Whether Defendants engaged in unfair competition in violation of section	
23	17200 et seq. of the Business and Professions Code;	
24	16) Whether Defendants' conduct was willful and/or reckless;	
25	17) Whether Defendants failed to provide accurate itemized wage statements in	
26 27	violation of Labor Code § 226;	
27		
28		
	- 12 -	
	SECOND AMENDED CLASS ACTION COMPLAINT	
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18) Whether Defendants paid sick pay wages at the correct rate of pay when
 Class Members earned non-discretionary remuneration and a base wage during the same workweek
 that they were paid sick pay wages; and

4 19) The appropriate amount of damages, restitution, and/or monetary penalties
5 resulting from Defendants' violations of California law.

d. Typicality: Plaintiffs are qualified to, and will fairly and adequately protect 6 the interests of each member of the Class and Subclasses with whom they have a well-defined 7 community of interest. Plaintiffs' claims herein alleged are typical of those claims which could be 8 alleged by any member of the Class and/or Subclasses, and the relief sought is typical of the relief 9 which would be sought by each member of the Class and/or Subclasses in separate actions. All 10 members of the Class and/or Subclasses have been similarly harmed by Defendants' failure to 11 provide lawful meal and rest periods, failure to reimburse expenses, failure to provide accurate 12 wage statements, failure to timely pay wages at termination, failure to pay minimum wages, and 13 failure to accurately pay all wages earned including all owed premium and overtime wages, all due 14 to Defendants' policies and practices that affected each member of the Class and/or Subclasses 15 similarly. Further, Defendants benefited from the same type of unfair and/or wrongful acts as to 16 each member of the Class and/or Subclasses. 17

18 Adequacy: Plaintiffs are qualified to, and will fairly and adequately protect e. the interests of each member of the Class and/or Subclasses with whom they have a well-defined 19 20 community of interest and typicality of claims, as demonstrated herein. Plaintiffs acknowledge that they have an obligation to make known to the Court any relationships, conflicts, or differences with 21 22 any member of the Class and/or Subclasses, and no such relationships or conflicts are currently known to exist. Plaintiffs' attorneys and the proposed counsel for the Class and Subclasses are 23 versed in the rules governing class action discovery, certification, litigation, and settlement and 24 experienced in handling such matters. Other former and current employees of Defendants may also 25 26 serve as representatives of the Class and Subclasses if needed.

27 f. <u>Superiority</u>: The nature of this action makes the use of class action
28 adjudication superior to other methods. A class action will achieve economies of time, effort,

judicial resources, and expense, which would not be achieved with separate lawsuits. The 1 prosecution of separate actions by individual members of the Class and/or Subclasses would create 2 a risk of inconsistent and/or varying adjudications with respect to the individual members of the 3 Class and/or Subclasses, establishing incompatible standards of conduct for the Defendants, and 4 resulting in the impairment of the rights of the members of the Class and/or Subclasses and the 5 disposition of their interests through actions to which they were not parties. Thus, a class action is 6 superior to other available means for the fair and efficient adjudication of this controversy because 7 individual joinder of all Class Members is not practicable, and questions of law and fact common 8 to the Class predominate over any questions affecting only individual Class Members. Each 9 member of the Class has been damaged and is entitled to recovery by reason of Defendants' 10 unlawful policies and practices, including Defendants' failure to provide lawful meal and rest 11 periods, failure to pay minimum wages, failure to reimburse expenses, failure to provide accurate 12 wage statements, failure to timely pay wages at termination, and failure to accurately pay all wages 13 earned including all owed premium and overtime wages, all due to Defendants' policies and 14 practices that affected each member of the Class and/or Subclasses similarly. Class action 15 treatment will allow those similarly situated persons to litigate their claims in the manner that is 16 most efficient and economical for both parties and the judicial system. Plaintiffs are unaware of 17 any difficulties that are likely to be encountered in the management of this action that would 18 preclude its maintenance as a class action. 19

Public Policy Considerations: Employers in the state of California violate 20 g. employment and labor laws every day. However, current employees are often afraid to assert their 21 rights out of fear of direct or indirect retaliation. Former employees are fearful of bringing actions 22 because they believe their former employers may damage their future endeavors through negative 23 references and/or other means. The nature of this action allows for the protection of current and 24 former employees' rights without fear of retaliation or damage. Additionally, the citizens of 25 26 California have a significant interest in ensuring employers comply with California's labor laws and in ensuring those employers who do not are prevented from taking further advantage of their 27 28 employees.

1	CLASS ACTION CLAIMS
2	FIRST CAUSE OF ACTION
3	FAILURE TO PAY ALL WAGES OWED, INCLUDING OVERTIME
4	(By Plaintiffs and the Minimum Wage and Overtime Subclasses Against Defendants)
5	54. Plaintiffs incorporate by reference each and every paragraph above, and realleges
6	each and every allegation contained above as though fully set forth herein.
7	55. At all times relevant, Labor Code §1194 provides that any employee receiving less
8	than the legal minimum wage or the legal overtime compensation applicable to the employee is
9	entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or
10	overtime compensation, including interest thereon, reasonable attorneys' fees, and costs of suit.
11	56. Labor Code §1197 states: "The minimum wage for employees fixed by the
12	commission is the minimum wage to be paid to employees, and the payment of a less wage than
13	the minimum so fixed is unlawful."
14	57. Cal. Lab. Code § 1198 further states that the employment of an employee for longer
15	hours than those fixed by the Industrial Welfare Commission is unlawful.
16	58. The IWC Wage Orders similarly require that employees be paid on the established
17	payday for the period involved, not less than the applicable minimum wage for all hours worked in
18	the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.
19	59. At all times relevant, pursuant to Labor Code section 510, 1194, and the IWC
20	wage orders applicable to Plaintiffs' and the Class Members' employment by Defendants
21	provided that employees working for more than eight (8) hours in a day or forty (40) hours in a
22	work week are entitled to overtime compensation at the rate of one and one-half times the regular
23	rate of pay for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a work
24	week. An employee who works more than twelve (12) hours in a day or in excess of eight (8)
25	hours in a day on the seventh day of work in a particular work week is entitled to overtime
26	compensation at a rate of twice the regular rate of pay.
27	
28	
	- 15 -
	SECOND AMENDED CLASS ACTION COMPLAINT

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SECOND AMENDED CLASS ACTION COMPLAINT

1 60. The IWC Wage Orders define "hours worked" as "the time during which an
 2 employee is subject to the control of an employer, and includes all the time the employee is
 3 suffered or permitted to work, whether or not required to do so."

4 61. At all times relevant, Plaintiffs and Class Members consistently worked hours for
5 which they were not paid because Plaintiffs and the Class Members were required to work off the
6 clock, including without limitation time worked to launder and maintain uniforms.

7 62. Plaintiffs are informed and believes that Defendants knew or should have known
8 that Plaintiffs and the Class Members were working off the clock and that they should have been
9 paid for this time.

10 63. In addition, Plaintiffs are informed and believe that Defendants failed to
11 compensate employees for all overtime and double time hours worked at the proper rate.

64. In some instances, Plaintiffs and the Class Members worked in excess of eight (8)
hours in a day and/or forty (40) hours in a week, and on occasion over twelve hours in a day or
over eight hours on the seventh day of work in a particular workweek without being paid all
wages owed as required by law.

16 65. On information and belief, Defendant failed to properly calculate and pay overtime
17 at 1.5 times the Class Members' regular rate because it failed to include all forms of renumeration
18 in the regular rate including shift differential pay and night premium pay, among others.

19 66. Upon information and belief, Defendants knew or should have known Plaintiffs20 and the Class Members were undercompensated.

21 67. Defendants' failure to pay Plaintiffs and Class Members the unpaid balance of
22 wages owed violates the provisions of Labor Code §510, §1194, §1197, §1198, and the applicable
23 IWC wage orders and is therefore unlawful.

Accordingly, Defendants owe Plaintiffs and Class Members wages, including
minimum wages and overtime wages, and have failed and refused, and continue to fail and refuse,
to pay Plaintiffs and the Class Members the wages owed.

27 69. Pursuant to Labor Code §1194, Plaintiffs and the Class Members are entitled to
28 recover their unpaid compensation, as well as interest, costs, and attorneys' fees.

In addition, pursuant to Labor Code §1194.2(a), Plaintiffs and the Class Members 1 70. are entitled to "recover liquidated damages in an amount equal to the wages unlawfully unpaid 2 3 and interest thereon." 4 Also, pursuant to Labor Code §1197.1, Plaintiffs and the Class Members are 71. 5 entitled to claim all applicable civil penalties as a direct result of Defendants' policy and practice 6 of paying a wage less than the minimum fixed by an order of the commission. 7 72. Accordingly, Plaintiffs and Class Members are entitled to recover their unpaid 8 wages, including minimum wages, overtime compensation at the proper rate, as well as interest, 9 costs, and attorneys' fees. 10 SECOND CAUSE OF ACTION 11 FAILURE TO PROVIDE LAWFUL MEAL PERIODS 12 (By Plaintiffs and the Meal Period Subclasses Against All Defendants) 13 73. Plaintiffs incorporate by reference and realleges each and every allegation contained 14 above, as though fully set forth herein. 15 Pursuant to Labor Code § 512, no employer shall employ an employee for a work 74. 16 period of more than five (5) hours without providing a meal break of not less than thirty (30) 17 minutes in which the employee is relieved of all of his or her duties, except that when a work period 18 of not more than six (6) hours will complete the day's work the meal period may be waived by 19 mutual consent of the employer and employee. 20 75. For the four (4) years preceding the filing of this lawsuit, Defendants failed to 21 provide Plaintiffs and Class Members timely and uninterrupted first meal periods of not less than 22 thirty (30) minutes within the first five hours of a shift. 23 Indeed, during the relevant time, as a consequence of Defendants' staffing and 76. 24 scheduling practices, lack of coverage, work demands, and Defendants' policies and practices, 25 Plaintiffs and the Class Members were often required to forego legally required meal periods, 26 commence their meal periods into and beyond the sixth hour of their shifts, and/or had their meal 27 periods interrupted. 28 - 17 -

77. On information and belief, Plaintiffs and Class Members did not waive their rights
 to meal periods under the law.

78. In addition, Plaintiffs and the Class Members were not paid one hour of pay at
their regular rate for each day that a meal period was not lawfully provided because Defendant
failed to include all forms of renumeration in the regular rate including shift differential pay and
night premium pay, among others.

7 79. As a proximate result of the aforementioned violations, Plaintiffs and the Class
8 Members have been damaged in an amount according to proof at time of trial.

9 80. Pursuant to Labor Code § 226.7, Plaintiffs and Class Members are entitled to recover
10 one (1) hour of premium pay for each day in which a meal period violation occurred. They are also
11 entitled to recover reasonable attorneys' fees, cost, interest, and penalties as applicable.

81. As a result of the unlawful acts of Defendants, Plaintiffs and the Class they seek to
represent have been deprived of premium wages in amounts to be determined at trial, and are
entitled to recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs,
under Labor Code sections 218.6, 226.7, 512 and the applicable IWC Wage Orders, and Civil Code
section 3287.

17

19

18

THIRD CAUSE OF ACTION

FAILURE TO AUTHORIZE AND PERMIT LAWFUL REST PERIODS

(By Plaintiffs and the Rest Period Subclass Against All Defendants)

20 82. Plaintiffs incorporate by reference and realleges each and every allegation contained
21 above, as though fully set forth herein.

83. Pursuant to the IWC wage orders applicable to Plaintiffs' and Class Members' employment by Defendants, "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period.... [The] authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours worked or major fraction thereof.... Authorized rest period time shall be counted as hours worked, for which there shall be no deduction from wages."

28

84. Labor Code §226.7(a) prohibits an employer from requiring any employee to work
 during any rest period mandated by an applicable order of the IWC.

85. Defendants were required to authorize and permit employees such as Plaintiffs and
Class Members to take rest periods during shifts in excess of 3.5 hours, based upon the total hours
worked at a rate of ten (10) minutes net rest per four (4) hours worked, or major fraction thereof,
with no deduction from wages.

86. Despite said requirements of the IWC wage orders applicable to Plaintiffs' and Class
Member's employment with Defendants, Defendants failed and refused to authorize and permit
Plaintiffs and Class Members to take lawful, net ten (10) minute rest periods for every four (4)
hours worked, or major fraction thereof. Such rest breaks, when provided, were frequently
untimely or less than net ten minutes because of the work requirements and productivity demands
that Defendants imposed.

13 87. In addition, upon information and belief, Plaintiffs and the Class Members were not
14 allowed to leave the premises during rest periods.

15 88. Defendant's exercise of control over the aggrieved employees during periods of rest
16 is inconsistent with the mandates of the Labor Code and Wage Order, as set forth in *Augustus v*.
17 *ABM*, 2 Cal. 5th 257 (2016).

89. Defendants did not pay Plaintiffs one additional hour of pay at her regular rate of
pay for each day that a rest period violation occurred because Defendant failed to include all forms
of renumeration in the regular rate including shift differential pay and night premium pay, among
others.

90. On information and belief, the other members of the Class endured similar violations
as a result of Defendant's rest period policies and practices and Defendant did not pay said Class
Members premium pay as required by law.

91. By their failure to authorize and permit Plaintiffs and the Class Members to take a
lawful, net ten (10) minute rest period free from work duties every four (4) hours or major fraction
thereof worked, including failure to provide two (2) total rest periods on six to ten hour shifts and
three (3) total ten (10) minute rest periods on days on which Plaintiffs and the other Class Members

- 19 -

work(ed) work a third rest period for shifts in excess of ten (10) hours, and by their failure to provide 1 compensation for such unprovided rest periods as alleged herein, Defendants willfully violated the 2 provisions of Labor Code sections 226.7 and the applicable IWC Wage Order(s). 3 As a result of the unlawful acts of Defendants, Plaintiffs and the Class they seek to 4 92. represent have been deprived of premium wages in amounts to be determined at trial, and are 5 entitled to recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs, 6 under Labor Code sections 218.6, 226.7, the applicable IWC Wage Orders, and Civil Code 3287. 7 FOURTH CAUSE OF ACTION 8 FAILURE TO ACCURATELY RECORD AND PAY SICK LEAVE 9 **AND/OR PAID TIME OFF** 10 (By Plaintiffs and Sick Pay Subclass Against Defendant) 11 Plaintiffs incorporate by reference and realleges each and every allegation contained 93. 12 above, as though fully set forth herein. 13 94. Labor Code Section 246(i) provides that: "an employer shall provide an employee 14 with written notice that sets forth the amount of paid sick leave available, or paid time off leave an 15 employer provides in lieu of sick leave, for use on either the employee's itemized wage statement 16 described in Section 226 or in a separate writing provided on the designated pay date with the 17 employee's payment of wages. If an employer provides unlimited paid sick leave or unlimited paid 18 time off to an employee, the employer may satisfy this section by indicating on the notice or the 19 employee's itemized wage statement 'unlimited.' The penalties described in this article for a violation 20of this subdivision shall be in lieu of the penalties for a violation of Section 226." 21 Labor Code § 246 provides that the employer shall calculate paid sick leave by 95. 22 using one of two calculations: (1) "Paid sick time for nonexempt employees shall be calculated in 23 the same manner as the regular rate of pay for the workweek in which the employee uses paid 24 sick time, whether or not the employee actually works overtime in that workweek;" or (2) "Paid 25 sick time for nonexempt employees shall be calculated by dividing the employee's total wages, 26 not including overtime premium pay, by the employee's total hours worked in the full pay periods 27 of the prior 90 days of employment." 28

- 20 -

Whenever Defendant paid Plaintiffs and Sick Pay Sub-Class sick time pursuant to 96. 1 California Labor Code § 246, Defendant did so at the incorrect rate of pay. Defendant paid 2 Plaintiffs and the Sick Pay Sub-Class at the base hourly rate of pay, as opposed to the regular rate 3 of pay, which would take into account all night premiums and/or shift differentials, or by dividing 4 the employees' total wages, not including overtime premium pay, by the employees' total hours 5 worked in the full pay periods of the prior 90 days of employment, as required by Labor Code § 6 246. This resulted in the employees being underpaid for sick time, and resulted in violations of 7 California Labor Code §§ 201, 202, and 203, and other derivative Labor Code violations, because 8 Defendant did not pay, or timely pay, Plaintiffs and the unpaid wages for work performed by 9 them during their employment and at the end of their employment. 10 97. As a result of the unlawful acts of Defendant, Plaintiffs and the Sick Pay Subclass 11 have been deprived of sick pay in amounts to be determined at trial, and are entitled to the 12 recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs.. 13 FIFTH CAUSE OF ACTION 14 FAILURE TO TIMELY PAY WAGES OWED AT SEPARATION 15 (By Plaintiffs and the Waiting Time Subclass Against All Defendants) 16 98. Plaintiffs incorporate by reference and realleges each and every allegation contained 17 above, as though fully set forth herein. 18 19 99. Labor Code §§ 201 and 202 require Defendants to pay their employees all wages due within seventy-two (72) hours of separation of employment. 20 100. Section 203 of the Labor Code provides that if an employer willfully fails to timely 21 pay such wages the employer must, as a penalty, continue to pay the subject employee's wages 22 until the back wages are paid in full or an action is commenced. The penalty cannot exceed 30 23 days of wages. 24 101. Plaintiffs and Class Members are entitled to compensation for all forms of wages 25 earned, including but not limited to minimum wages, overtime, and premium meal and rest period 26 compensation, but to date have not received such compensation, therefore entitling them to Labor 27 28 Code § 203 penalties. - 21 -

SECOND AMENDED CLASS ACTION COMPLAINT

1	102. More than thirty (30) days have passed since affected Waiting Time Subclass		
2	Members have left Defendants' employ, and on information and belief, they have not received		
3	payment pursuant to Labor Code § 203.		
4	103. Plaintiffs and Waiting Time Subclass Members are thus entitled to 30 days' wages		
5	as a penalty under Labor Code § 203, together with interest thereon and attorneys' fees and costs.		
6	SIXTH CAUSE OF ACTION		
7	FAILURE TO REIMBURSE NECESSARY EXPENSES		
8	(By Plaintiffs and the Indemnification Subclass Against All Defendants)		
9	104. Plaintiffs incorporate by reference and realleges each and every allegation contained		
10	above, as though fully set forth herein.		
11	105. Labor Code § 2802 requires Defendants to indemnify Plaintiffs and Class		
12	Members for necessary expenditures incurred in direct consequence of the discharge of his or her		
13	duties.		
14	106. Plaintiffs and the members of the Indemnification Class were required to incur		
15	expenses in the performance of their assigned job duties. For example, Plaintiffs and the		
16	Indemnification Class Members were required to incur numerous out of pocket expenses,		
17	including expenses for uniforms, and to launder and maintain said uniforms.		
18	107. As a result of the unlawful acts of Defendants, Plaintiffs and the Plaintiffs'		
19	Subclass Members have been deprived of un-reimbursed sums in amounts to be determined at		
20	trial, and are entitled to the recovery of such amounts, plus interest and penalties thereon,		
21	attorneys' fees, and costs, pursuant to Labor Code §2802.		
22	SEVENTH CAUSE OF ACTION		
23	KNOWING AND INTENTIONAL FAILURE TO COMPLY WITH ITEMIZED		
24	EMPLOYEE WAGE STATEMENT PROVISIONS		
25	By Plaintiffs and Wage Statement Subclass Against Defendants		
26	108. Plaintiffs repeat and incorporate herein by reference each and every allegation set		
27	forth above, as though fully set forth herein.		
28	109. Labor Code section 226(a) reads in pertinent part: "Every employer shall,		
	- 22 -		
	SECOND AMENDED CLASS ACTION COMPLAINT	T	

semimonthly or at the time of each payment of wages, furnish each of his or her employees, either 1 as a detachable part of the check, draft, or voucher paying the employee's wages, or separately 2 when wages are paid by personal check or cash, an accurate itemized statement in writing 3 showing (1) gross wages earned, (2) total hours worked by the employee... (4) all deductions... 4 (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the 5 name of the employee and only the last four digits of his or her social security number or an 6 employee identification number other than a social security number, (8) the name and address of 7 the legal entity that is the employer, and (9) all applicable hourly rates in effect during each the 8 pay period and the corresponding number of hours worked at each hourly rate by the 9 employee....". 10

11 110. Further, the IWC Wage Orders require in pertinent part: Every employer shall
12 keep accurate information with respect to each employee including the following: (3) Time
13 records showing when the employee begins and ends each work period. Meal periods, split shift
14 intervals, and total daily hours worked shall also be recorded...(5) Total hours worked in the
15 payroll period and applicable rates of pay...."

Labor Code section 1174 of the California also requires Defendants to maintain 111. 16 and preserve, in a centralized location, among other items, records showing the names and 17 addresses of all employees employed and payroll records showing the hours worked daily by, and 18 the wages paid to, its employees. On information and belief and based thereon, Defendants have 19 knowingly and intentionally failed to comply with Labor Code section 1174, including by 20 implementing the policies and procedures and committing the violations alleged in the preceding 21 causes of action and herein. Defendants' failure to comply with Labor Code section 1174 is 22 unlawful pursuant to Labor Code section 1175. 23

112. Defendants have failed to record many of the items delineated in applicable
Industrial Wage Orders and Labor Code section 226, and required under Labor Code section
1174, including by virtue of the fact that each wage statement which failed to accurately
compensate Plaintiffs and Class Members for all hours worked and for missed and non-provided
meal and rest periods, or which failed to include compensation for all minimum wages earned or

overtime hours worked, was an inaccurate wage statement.

1

On information and belief, Defendants failed to implement and preserve a lawful 2 113. record-keeping method to record all hours worked, meal periods, and non-provided meal and rest 3 periods owed to employees, as required for Non-Exempt Employees under California Labor Code 4 section 226 and applicable California Wage Orders. In order to determine if they had been paid 5 the correct amount and rate for all hours worked, Plaintiffs and Class Members have been, would 6 have been, and are compelled to try to discover the required information missing from their wage 7 statements and to perform complex calculations in light of the inaccuracies and incompleteness of 8 the wage statements Defendants provided to them. 9

114. As a pattern and practice, in violation of Labor Code section 226(a) and the IWC
Wage Orders, Defendants did not and still do not furnish each of the members of the Wage
Statement Class with an accurate itemized statement in writing accurately reflecting all of the
required information including, without limitation, total hours worked. In addition, Defendants
have failed to provide accurate itemized wage statements as a consequence of the above-specified
violations for failure to accurately pay all wages owed, accurately record all hours worked, and
failure to pay meal and rest period premiums as required by law.

17 115. Moreover, upon information and belief, as a pattern and practice, in violation of
18 Labor Code section 226(a) and the IWC Wage Orders, Defendants did not and do not maintain
19 accurate records pertaining to the total hours worked for Defendants by the members of the Wage
20 Statement Class, including but not limited to, beginning and ending of each work period, meal
21 period and split shift interval, the total daily hours worked, and the total hours worked per pay
22 period and applicable rates of pay.

116. Plaintiffs and the members of the Wage Statement Class have suffered injury as a
result of Defendants' failure to maintain accurate records for the members of the Wage Statement
Class in that the members of the Wage Statement Class were not timely provided written accurate
itemized statements showing all requisite information, and in that the members of the Wage
Statement Class were misled by Defendants as to the correct information regarding various items,
including but not limited to total hours worked by the employee, net wages earned and all

applicable hourly rates in effect during the pay period and the corresponding number of hours 1 worked at each hourly rate. 2 Pursuant to Labor Code section 226, and in light of Defendants' violations 3 117. addressed above, Plaintiffs and the Wage Statement Class Members are each entitled to recover 4 up to a maximum of \$4,000.00, along with an award of costs and reasonable attorneys' fees. 5 **EIGHTH CAUSE OF ACTION** 6 VIOLATION OF THE UNFAIR COMPETITION LAW 7 By Plaintiffs and Class Against All Defendants 8 Plaintiffs incorporate by reference and reallege each and every allegation contained 9 118. above, as though fully set forth herein. 10 Defendants' conduct, as alleged in this complaint, has been, and continues to be, 119. 11 unfair, unlawful, and harmful to Plaintiffs and Class Members, Defendants' competitors, and the 12 general public. Plaintiffs also seeks to enforce important rights affecting the public interest within 13 the meaning of the California Code of Civil Procedure § 1021.5. 14 Defendants' policies, activities, and actions as alleged herein are violations of 120. 15 California law and constitute unlawful business acts and practices in violation of California 16 Business and Professions Code §§ 17200, et seq. 17 A violation of California Business and Professions Code §§ 17200, et seq., may be 121. 18 predicated on the violation of any state or federal law. 19 The state law violations, including violations of the relevant IWC Wage Order, 20 122. detailed herein above are the predicate violations for this cause of action. 21 By way of example only, in the instant case Defendants' policy of failing to lawfully 123. 22 provide Plaintiffs and the Class with timely meal and rest periods or pay one (1) hour of premium 23 pay when a meal or rest period was not lawfully provided violates Labor Code § 512, and § 226.7, 24 and the IWC Wage Orders. 25 Defendants further violated the law through their policies of failing to fully and 26 124. accurately compensate Plaintiffs and the Class Members for all hours worked, including minimum 27 wages and overtime, and failing to reimburse for necessary expenses, as well as failing to provide 28 - 25 -SECOND AMENDED CLASS ACTION COMPLAINT

1 accurate itemized wage statement as specified above.

- 1	
2	125. Plaintiffs and the Class Members have been personally aggrieved by Defendants'
	unlawful and unfair business acts and practices alleged herein by the loss of money and/or property.
	126. Pursuant to California Business and Professions Code §§ 17200, et seq., Plaintiffs
	and the Class Members are entitled to restitution of the wages withheld and retained by Defendants
	during a period that commences four (4) years prior to the filing of this complaint; an award of
	attorneys' fees pursuant to California Code of Civil Procedure §1021.5; interest; and an award of
	costs.
	NINTH CAUSE OF ACTION
	PRIVATE ATTORNEYS' GENERAL ACT OF 2004 LABOR CODE 2698, et seq.
	By Plaintiffs and Class Against All Defendants
	127 Disintiffs incompanys by reference and really as hand avery allocation
	127. Plaintiffs incorporate by reference and re-alleges each and every allegation
	contained above, as though fully set forth herein.
	128. Labor Code §§ 2698 et seq. (The Private Attorney General Act / "PAGA") provides
	that any provision of law under the California Labor Code that provides for a civil penalty to be
	assessed and collected by the Labor & Workforce Development Agency ("LWDA") for violations
	of the California Labor Code may, as an alternative, be recovered through a civil action brought by
	an aggrieved employee on behalf of himself and other current or former employees.
	129. Plaintiffs are aggrieved employees as defined in Labor Code §2699(a) in that they
	were an employee of Defendants, and one or more of the alleged violations alleged herein was
	committed against them.
	130. Plaintiffs bring this cause on behalf of themselves and other current or former
	aggrieved employees affected by the Labor Code violations alleged in the Complaint and this
	Second Amended Complaint and includes all causes of action and labor codes stated herein, and
	hereby incorporated by reference, in their capacity as a private attorney general.
	131. In addition to the violations specified above, Plaintiffs also alleges that:
	- 26 -

SECOND AMENDED CLASS ACTION COMPLAINT

1	a. Defendants violated Labor Code section 204 by failing to pay on time		
1			
2	Plaintiffs and the aggrieved employees all wages owed.		
3	b. Defendants violated Labor Code section 226(a), 1174, and 1174.5 by		
4	failing to keep accurate payroll and timekeeping information.		
5	132. Pursuant to Labor Code §2699 Plaintiffs, individually and on behalf of all aggrieved		
6	employees, requests and is entitled to recover from Defendants penalties according to proof for the		
7	violations alleged herein, including attorneys' fees and costs and interests.		
8	133. Pursuant to Labor Code §2699, Plaintiffs is entitled to recover penalties under Labor		
9	Code section 2699 in the amount of one hundred dollars (\$100) for each aggrieved employee per		
10	pay period for each initial violation, and two hundred (\$200) dollars for each aggrieved employee		
11	per pay period for each subsequent violation.		
12	134. Pursuant to California Labor Code §2699(i), civil penalties recovered by aggrieved		
13	employees shall be distributed as follows: seventy-five percent (75%) to the LWDA and twenty-		
14	five percent (25%) to the aggrieved employees.		
15	135. The conduct of Defendants, as alleged herein, has been and continues to be		
16	deleterious to Plaintiffs and other aggrieved employees. By this action, Plaintiffs also seeks to		
17	enforce important rights affecting the public interest within the meaning of Code Civ. Proc. section		
18	1021.5.		
19	136. Plaintiffs timely provided notice to the LWDA and Defendants. Specifically, on or		
20	about January 24, 2019, Plaintiff Ross sent notice to the LWDA and Defendants along with a copy		
21	of the Complaint, setting forth alleged Labor Code and IWC Wage Order violations as averred		
22	herein.		
23	137. On or about January 28, 2019, Plaintiff Ross sent an amended PAGA letter to the		
24	LWDA to supplement the prior submission.		
25	138. On August 31, 2020, Plaintiff Armenta sent written notice by online submission to		
26	the LWDA and by certified mail to Defendant of Defendant's violations of numerous provisions of		
27	the California Labor Code and the IWC Wage Orders.		
28			
	- 27 -		

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1	139.	On or about April 23, 2019, Plaintiff Biggers also sent written notice to the LWDA	
2		s violations of Labor Code section 226(a). On or about June 20, 2020, Plaintiff	
3		sent written notice to the LWDA of Defendant's violations of Labor Code sections	
4	201, 202, 203	9, 226, and 246.	
5	140.	More than 65 days have passed and the LWDA has not informed Plaintiffs that it	
6	intends to inv	restigate the allegations.	
7	141.	As a result of Defendants' unlawful acts as set forth in this Complaint, Plaintiffs, in	
8	a representati	ve capacity, for all aggrieved employees, seeks recovery of civil penalties for each of	
9	the alleged-vi	olations of the Labor Code herein, plus attorneys' fees, and costs.	
10			
11		PRAYER FOR RELIEF	
12	WHE	REFORE, Plaintiffs pray judgment against Defendants, as follows:	
13		Class Certification	
14	1.	That this action be certified as a class action;	
15	2.	That Plaintiffs be appointed as the representatives of the Class;	
16	3.	That Plaintiffs be appointed as the representatives of the Subclasses; and	
17	4.	That counsel for Plaintiffs be appointed as counsel for the Class and Subclasses.	
18		On the First Cause of Action	
19	(Failure to pay all wages owed, including overtime)		
20	1.	For the unpaid balance of the full amount of any overtime, minimum wages, and	
21	regular wages	s owed, as well as interest thereon,	
22	2.	Penalties according to statute,	
23	3.	Liquidated damages,	
24	4.	Reasonable attorneys' fees, and costs of suit;	
25	5.	For interest and	
26	6. For such other and further relief as the Court deems proper.		
27		On the Second Cause of Action	
28			
		- 28 -	
		SECOND AMENDED CLASS ACTION COMPLAINT	

		~ ~ ~	
1		(Failure to Provide Lawful Meal Periods)	
2	1.	For one (1) hour of premium pay for each day in which a required meal period was	
3	not lawfully		
4	2.	For reasonable attorneys' fees and costs pursuant to statute; and	
5	3.	For such other and further relief as the Court deems proper.	
6	On the Third Cause of Action		
7	(Failure to Authorize and Permit Lawful Rest Periods)		
8	1.	For one (1) hour of premium pay for each day in which a required rest period was	
9	not lawfully	authorized and permitted; and	
10	2.	For reasonable attorneys' fees and costs pursuant to statute; and	
11	3.	For such other and further relief as the Court deems proper.	
12		On the Fourth Cause of Action	
13		(Failure To Record And Pay Sick Leave And/Or Paid Time Off)	
14	1.	For unpaid sick leave;	
15	2.	For penalties pursuant to Labor Code § 203;	
16	3.	For interest;	
17	4.	For reasonable attorneys' fees and costs pursuant to statute; and	
18	5.	For such other and further relief as the Court deems proper.	
19	On the Fifth Cause of Action		
20		(Failure to Timely Pay Wages At Separation)	
21	1.	For unpaid wages;	
22	2.	For penalties pursuant to Labor Code § 203;	
23	3.	For interest;	
24	4.	For reasonable attorneys' fees and costs pursuant to statute; and	
25	5.	For such other and further relief as the Court deems proper.	
26		On the Sixth Cause of Action	
27		(Failure to Reimburse Necessary Expenses)	
28	1.	For unreimbursed sums pursuant to Labor Code section 2802;	
		- 29 -	
		SECOND AMENDED CLASS ACTION COMPLAINT	

1	2.	For reasonable attorneys' fees and costs pursuant to statute;	
2	3.	For interest; and	
3	4.	For such other and further relief as the Court deems proper.	
4	On the Seventh Cause of Action		
5		(Failure to Provide Accurate Itemized Wage Statements)	
6	1.	For statutory penalties, including penalties pursuant to Labor Code section 226;	
7	2.	For reasonable attorneys' fees and costs pursuant to statute; and	
8	3.	For such other and further relief as the Court deems proper;	
9		On the Eighth Cause of Action	
10		(Violation of the Unfair Competition Law)	
11	1.	That Defendants, jointly and/or severally, pay restitution and/or disgorgement of	
12	sums to Plaintiffs and Class Members for the Defendants' past failure to pay overtime and regular		
13	wages, for Defendants' past failure to reimburse necessary expenses, and for premium wages for		
14	meal and rest periods that were not provided to Plaintiffs and Class Members over the last four (4)		
15	years in an amount according to proof;		
16	2.	For reasonable attorneys' fees that Plaintiffs and Class Members are entitled to	
17	recover under California Code of Civil Procedure § 1021.5 and Labor Code section 1194;		
18	3. For pre-judgment interest on any unpaid overtime wages due from the day that such		
19	amounts were due;		
20	4.	For costs of suit incurred herein that Plaintiffs and Class Members are entitled to	
21	recover under	r the Labor Code; and	
22	5.	For such other and further relief as the Court deems proper.	
23	On the Ninth Cause of Action		
24	(Penalties Under the Private Attorneys General Act)		
25	1.	For penalties pursuant to Labor Code Private Attorneys General Act of 2004,	
26	Labor Code section 2698 et seq.;		
27	2.	For unpaid wages and penalties pursuant to Labor Code section 558;	
28	3.	Reasonable attorneys fees and costs pursuant to Labor Code 2699(g) and Code of	
		20	
		- 30 - SECOND AMENDED CLASS ACTION COMPLAINT	

Civil Procedure 1021.5; and
4. For such other and further relief as the Court deems proper.
DEMAND FOR JURY TRIAL
Plaintiffs, on behalf of the Class and Subclasses, respectfully demand a jury trial in this
matter.
Respectfully submitted,
Dated: February 25, 2022
James R. Hawkins, Esq. Christina M. Lucio, Esq.
Mitchell J. Murray, Esq.
Attorneys for Plaintiffs CHEYLYN ROSS, DANNY ARMENTA, and KATRINA BIGGERS on behalf of
themselves and all others similarly situated
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SECOND AMENDED CLASS ACTION COMPLAINT

Exhibit B

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF SAN BERNARDINO

CHEYLYN ROSS, DANNY ARMENTA, and KATRINA BIGGERS, on behalf of themselves and) Case No.: CIVDS1902581		
all other persons similarly situated,) Assigned to: Hon. David Cohn, Dept. S-26		
Plaintiffs,	 NOTICE OF PENDENCY OF A CLASS ACTION SETTLEMENT 		
v.)		
)		
STATER BROS. MARKETS, a California)		
corporation; and DOES 1-50, inclusive,)		
)		
Defendants.)		
)		

ATTENTION:

PLEASE READ THIS DOCUMENT CAREFULLY. THE COURT HAS GRANTED PRELIMINARY APPROVAL OF A SETTLEMENT OF THIS LAWSUIT AND YOUR RIGHTS MAY BE AFFECTED. THIS CASE IS <u>NOT</u> AGAINST YOU. <u>YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT.</u>

Why Should I Read this Notice?

Cheylyn Ross ("Ross"), Danny Armenta ("Armenta"), and Katrina Biggers ("Biggers") (collectively, "Plaintiffs") filed a lawsuit against Stater Bros. Markets ("Defendant" or "Stater Bros.") (together, the "Parties"). The lawsuit is sometimes also referred to as the "litigation" or the "Action". In the lawsuit, Plaintiffs seek to recover certain wages and expenses for themselves, and on behalf of other individuals employed by Stater Bros. as non-exempt, hourly retail employees within the State of California (collectively, the "Class" or "Class Members") at any time from September 7, 2018 to November 10, 2021 (the "Class Period").

Stater Bros. denies all of the claims in Plaintiffs' Complaint and the contentions alleged in the lawsuit. Stater Bros. expressly denies any wrongdoing or legal liability arising out of any of the facts or conduct alleged in Plaintiffs' lawsuit. Stater Bros. has agreed to this settlement in order to avoid the costs and expenses associated with protracted litigation and with defending itself from the lawsuit.

Plaintiffs and Stater Bros. have agreed to a settlement of the lawsuit that includes the Class Members. The Court has preliminarily approved the settlement and ordered the transmittal of this "Notice of Pendency and of a Class Action Settlement" (the "Notice") regarding the lawsuit and the money that may be paid to you if the Court gives its final approval to the settlement. You do not need to do anything, and you do not need to pay anything to receive settlement money from this lawsuit, but you should read this entire Notice to understand your rights and options.

What Is This Case About?

Plaintiffs worked for Stater Bros. as non-exempt, hourly retail employees. On January 25, 2019, Ross filed this lawsuit as a proposed class and representative action. In the Second Amended Complaint, Plaintiffs allege failure to pay regular wages, failure to properly calculate and pay overtime wages, failure to accurately record and pay sick pay and paid time off, failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay wages upon separation, failure to reimburse necessary expenses, failure to provide accurate itemized wage statements, unfair competition, and seek civil penalties pursuant to the California Private Attorneys General Act ("PAGA").

In general, Plaintiffs' lawsuit claims that they and other non-exempt, hourly retail employees were not paid correctly for all hours worked, were not paid correctly for overtime and sick pay, were not given proper meal and rest periods, were not provided reimbursement for all business expenses, and were not paid all wages timely upon separation of employment, in addition to other related claims. Stater Bros. denies all of the allegations in the lawsuit and contend that they properly paid all employees and otherwise complied with all legal requirements. The Court has not ruled on any of the allegations or made any determination that Stater Bros. has done anything wrong. To avoid a protracted and expensive lawsuit, the Parties have agreed to settle the claims in the lawsuit.

Class actions are types of cases where one or more individuals file a lawsuit on behalf of a group of similarly situated people to try and recover damages for everyone in the group, without the need for separate individual lawsuits. Class actions may be used by the courts in certain situations where the claims of a group raise basic issues of law or fact that are common, making it fair to bind all class members to the orders and judgment in a case without the need to hear the claims for each class member. Class actions can ensure that everyone involved is bound by the results of the lawsuit.

What Is the Settlement?

The parties attended mediation in February 2021 and May 2021. Following the second mediation, they agreed to a settlement on the terms and conditions set forth in the "Joint Stipulation of Class Action and PAGA Settlement Release" to resolve the lawsuit. The settlement requires Stater Bros. to pay a Gross Settlement Amount of \$6,150,000. The Court has not determined whether Plaintiffs or other non-exempt employees are owed any money, nor whether Stater Bros. violated any laws; instead, the Court has given its preliminary approval to the parties' settlement. If the Court gives final approval to the settlement, then you will be paid money from the settlement fund described below in exchange for releasing any claims you might have in the lawsuit.

You have been identified as having worked for Stater Bros. as a non-exempt, hourly retail employee in California between September 7, 2018 to November 10, 2021. You are part of the "Class." If the settlement is finally approved by the Court, the \$6,150,000 will be paid out as follows: up to \$75,000 will be paid to the settlement administrator; up to \$2,050,000 will be paid to Plaintiffs' lawyers for their work on the lawsuit and up to \$50,000 for their costs incurred on the lawsuit; up to \$10,000 will be paid to each Plaintiff (\$30,000 total) as a service fee for their work and risks undertaken in bringing the lawsuit; \$75,000 will be paid to the Labor and Workforce Development Agency ("LWDA"), as 75% of the \$100,000 PAGA portion of the settlement pursuant to California Labor Code § 2699(i); and the remainder of approximately \$3,870,000.00 will be paid to the Class Members (including you) as "Individual Settlement Payments," which will be divided *pro rata* between the Class Members based upon each person's total weeks worked during the Class Period. Each Class Member's Individual Settlement Payment will be established by dividing his/her total weeks worked during the Class Period by the aggregate of total weeks worked by Class Members during the Class Members will be allocated as follows: 20% of each person's Individual Settlement Payment will be paid as W-2 wages and 80% of each person's Individual

Settlement Payment will be paid as 1099 interest and penalty income; payroll taxes will be withheld on any wage portions paid to Class Members by the Court-appointed Settlement Administrator; amounts allocated as 1099 penalties and interest income paid to each Class Member shall be paid without deduction or offset to reflect payment of alleged interest, penalties, and other non-wage amounts, although Stater Bros. may issue an IRS Form 1099-Misc and/or IRS Form 1099-Int to reflect these payments for penalties and interest made by the Court-appointed Settlement Administrator.

Based on your employment records with Stater Bros., you worked work weeks during the Class Period and your Individual Settlement Payment is estimated to be approximately Solution. It is likely that this number will change slightly before the end of the case. Each person's settlement share is a compromise of your approximate damages/penalties owed, it is not an exact amount of what you might possibly be owed if you pursued your own individual claim and proved your case in court. If you believe the total work weeks allocated to you above is incorrect, you can dispute that information by submitting a written statement, postmarked on or before **settlement administrator at signature**, the name and number of the case, a statement describing your challenge to the total amount of work weeks, and documentation to support your challenge.

Nothing in this Notice is intended to be tax advice. The lawyers in this case cannot provide you with any tax advice, and you should consult your tax advisor for any questions about tax issues pertaining to the settlement and your claim share.

When Will Money be Distributed?

There will be a court hearing where the Court will be asked to grant final approval to the settlement on **betaves**, in Department S-26 of the Superior Court of the County of San Bernardino. You are not required to appear in court at that hearing. If the Court gives final approval and there are no objections or appeals, then all employees who remain a part of the settlement, including you if you do nothing, will be paid their settlement payment in approximately **be**. If the Court gives final approval and there are objections or appeals, it is uncertain when objections and appeals may be resolved and resolving them can take time. Please be patient.

What Am I Releasing?

Upon the date the settlement is finally approved and becomes effective, you will forever discharge, waive and release Defendant and its present and former parent companies, subsidiaries, affiliated and related parties, joint employers, co-employers, and each of their respective present and former owners, boards, directors, officers, trustees, shareholders, members, partners, employees, agents, attorneys, representatives, successors, and assigns ("Released Parties") from any and all Released Claims within the Class Period, unless you request exclusion from the settlement. The Released Claims include any and all applicable federal, California, and local wage and hour claims, rights, demands, liabilities, and causes of action which were brought or could have been brought in the Action against Defendant based upon the factual allegations of the Action, including but not limited to, all claims for unpaid wages, including minimum wages and overtime compensate for alleged off-the-clock work; failure to timely pay wages owed upon separation from employment; failure to reimburse necessary expenses (which includes but is not limited to reimbursement for uniforms); knowing and intentional failure to comply with accurate itemized wage statement provisions; and unfair business practices related to the Released Claims; penalties, including civil penalties, statutory penalties, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under:

the California Labor Code, including, but not limited to, sections 201, 202, 203, 204, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 510, 512, 516, 1174, 1194, 1194.2, 1195, 1197, 1198, 2802, 2698 et seq., 2699 et seq.; the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code § 17200, et seq.; and California Code of Civil Procedure § 1021.5. The release excludes the release of claims not permitted by law but otherwise operates to release claims to the broadest extent permitted by law.

If you want a complete statement and the details of the scope of all claims being released, please refer to the "Joint Stipulation of Class Action and PAGA Settlement and Release," a copy of which can be obtained from the settlement administrator's website at **Exercise**.

If you have other questions, you can contact the lawyers who were appointed by the Court as the lawyers for the Class in this case ("Class Counsel"):

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You may seek independent legal counsel and/or hire your own attorney to represent you in this case at your own expense; otherwise, you will be automatically represented by Class Counsel. For other questions, you may also contact the settlement administrator's support line:

What Are Your Options?

The Court has ordered this Notice to be mailed to all Class Members, to notify you of the lawsuit and of your rights related to the settlement. If you are still employed by Stater Bros., you have a right to participate and collect

your settlement share. Stater Bros. encourages all employees to participate in this settlement and will not retaliate against you for participating in the settlement.

At this time, you have certain options:

1. Remain in the Case and Participate in the Settlement

A. <u>Do Nothing</u>. If you do nothing, you will automatically continue to be included in the case and represented by Class Counsel. You do not have to pay any money. You will receive your settlement payment if the Court grants final approval to the settlement. Your decision will be final and binding, and you will not be able to change your mind later and request exclusion, and you will also not be able to later bring a separate action regarding the Released Claims in this lawsuit.

B. <u>Object</u>. If you remain in the case, you may also object to the settlement if you choose, in which case you must send a written objection postmarked on or before **Mathematical Settlement** administrator at **Mathematical Settlement**. All objections must be signed and include your full name (printed), address, telephone number, the name and number of the case, the last four digits of your Social Security number or Employee ID number, and describe the nature of and basis for the objection. The Court and the lawyers will be notified of your objection to the settlement. If you object and your objection is overruled, then you will be bound by the settlement and will not be allowed to request exclusion.

2. Exclude Yourself from the Settlement

You may choose to exclude yourself from the settlement. This means that you will be withdrawing your claim from the lawsuit. Your decision will be final and binding, and you will not be able to change your mind later. You will not receive any payment from the settlement, and you will not be releasing any claims you may have. If you decide to request exclusion, you must send a written request for exclusion postmarked on or before **1**, 2022, and include your full name (printed), address, telephone number, the name and number of the case, the last four digits of your Social Security number or Employee ID number, and a statement saying that you wish to be excluded from the class; and your signature. Send requests for exclusion directly to:

The Court and the lawyers will be notified of your request for exclusion from the case. If you elect to request exclusion, you need to be aware that there are strict statutes of limitations, *i.e.*, deadlines, that restrict your ability to bring your own claim, and if you intend to take your own action you should do so immediately. You may not both request exclusion and still object to the settlement; if you request exclusion, you have no right to object to the settlement.

When and Where Will Checks Be Mailed?

If the Court grants final approval of the settlement and there are no objections, your check will automatically be mailed to you by approximately **settlement** to the same address where you received this Notice or, if you provide an updated address to the settlement administrator, to your new address. If the pre-printed address on the envelope with this Notice is incorrect, you must correct it. If your address changes before all your checks are mailed, you must notify the settlement administrator of your new address in writing because it has no duty under the terms of the settlement to conduct a search to locate a new address for you after this notice is sent. For address changes, please contact the settlement administrator at:

This Notice contains only a summary of the case to date. Complete pleadings and other papers filed with the Court are available for inspection on the Court Access Portal at <u>https://cap.sb-court.org/search</u> and searching case number "CIVDS1902518," or by visiting the Civil Business Office at the San Bernardino Superior Court, located at 247 W. Third Street, San Bernardino, CA 92415. Please do not call or write the Clerk of the Court for information about this case; inquiries must be made in person at the Civil Business Office or by accessing documents *via* the internet. You may also contact Class Counsel. **DO NOT CONTACT THE JUDGE OR THE COURT ABOUT THIS CASE.**