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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE

MICHAEL FRANCHINI, as aggrieved  
employees pursuant to the Private Attorneys  
General Act ("PAGA"), on behalf of the State of  
California and other aggrieved employees,

Plaintiff,

vs.

GENERAL CONSOLIDATED  
CONSTRUCTORS, INC; and DOES 1 through  
100, inclusive,

Defendant.

Case No. RIC2001600

**AMENDED PAGA SETTLEMENT  
AGREEMENT**

Subject to Court approval by the Superior Court of the State of California for the County of Riverside Plaintiff Michael Franchini (“Plaintiff”) and Defendant General Consolidated Constructors, Inc., Case No. RIC2001600 (Riverside County Superior Court) (the “Action”).

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Franchini v. General Consolidated Constructors, Inc.*, No. RIC-2001600 (Riverside County Superior Court).

2. “Aggrieved Employees” means all persons who were employed by Defendant as non-exempt, hourly-paid employees in the State of California at any time from June 9, 2019 through the earlier of February 17, 2022 or the date of entry of the Order and Judgment.

3. “Court” means the Superior Court for the State of California, County of Riverside.

4. “LWDA” means the California Labor and Workforce Development Agency.

5. “Maximum Settlement Amount” means the maximum settlement amount of One Hundred Fifty Thousand Dollars (\$150,000) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action, which includes all payments to Aggrieved Employees, Plaintiff, Plaintiff’s Counsel, the LWDA, and the Settlement Administrator.

6. “PAGA Penalties Fund” means the Maximum Settlement Amount less the Attorneys’ Fees and Costs, and Settlement Administrator Costs.

7. “Plaintiff” Counsel” means Work Lawyers PC.

8. “

9. “Settled Claims” means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Actions with respect to Aggrieved Employees based on the claims described in the notice sent by the Plaintiff to the LWDA and only to the extent they are alleged in the Complaint during the Settlement Period.

10. “Settlement Period” means June 9, 2019 through the earlier of February 17, 2022 or the

1 date of entry of the Order and Judgment.

2 **TERMS**

3 11. Maximum Settlement Amount. In consideration for Plaintiff's promises and  
 4 representations described in this Settlement Agreement, and subject to all of the conditions of the  
 5 Settlement being met, Defendant will to pay a maximum amount of One Hundred, Fifty-Thousand  
 6 Dollars (\$150,000) ("Maximum Settlement Amount"), which represents the maximum amount payable  
 7 in this Settlement by Defendant, and includes attorneys' fees, litigation costs and expenses, Settlement  
 8 Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the  
 9 PAGA Penalties Fund. No portion of the Maximum Settlement Amount will be retained by, or revert to,  
 10 Defendant.

11 12. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees  
 12 and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor  
 13 Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the  
 14 Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the  
 15 PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be  
 16 paid to all Aggrieved Employees according to the following formula:

17 12(a) Defendant will calculate: (i) the total number of pay periods worked by each  
 18 Aggrieved Employee during the Settlement Period, and (ii) the total number  
 19 of pay periods worked by all Aggrieved Employees during the Settlement  
 20 Period.

21 12(b) To determine each Aggrieved Employee's payment from the PAGA  
 22 Penalties Fund, Defendant will use the following formula: Settlement  
 23 Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by  
 24 Individual Aggrieved Employee During the Settlement Period ÷ Total Pay  
 25 Periods Worked by All Aggrieved Employees during the Settlement  
 26 Period].

27  
 28 13. Attorneys' Fees and Costs. Defendant agree not to oppose or impede any application or

1 motion by Plaintiff Counsel for Attorneys' Fees and Costs of not more than Fifty Thousand Dollars  
2 (\$50,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff  
3 Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs,  
4 etc.), not to exceed Fifteen Thousand Dollars (\$15,000), both of which will be paid from the Maximum  
5 Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff Counsel will  
6 be added to the PAGA Penalties Fund.

7 14. Settlement Administration Costs. The Parties will retain Phoenix Settlement  
8 Administrators, as the third-party settlement administrator ("Settlement Administrator"). The  
9 Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and  
10 issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and  
11 Plaintiff Counsel. The Settlement Administration Costs will be paid from the Maximum Settlement  
12 Amount. Based on the estimate that there are approximately 160 (One Hundred Sixty) Aggrieved  
13 Employees, Settlement Administration Costs are limited to no more than Four Thousand Dollars  
14 (\$4,000.00).

15 15. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties  
16 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the  
17 Court issue an order and judgment approving and incorporating by reference the terms and conditions of  
18 the Settlement Agreement (the "Order and Judgment").

19 16. List of Aggrieved Employees. Within seven (7) calendar days after entry of the Order  
20 and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved  
21 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft  
22 Office Excel and will include each Aggrieved Employees full name; most recent mailing address and  
23 telephone number; Social Security number; the respective number of pay periods during which each  
24 Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to  
25 calculate settlement payments.

26 17. Funding of the Settlement. Within fourteen (14) calendar days of the funding of the  
27 Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the  
28 Labor and Workforce Development Agency; (c) Plaintiff's Counsel; and (d) itself. The Settlement

1 Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued under this  
2 Settlement.

3 18. This release will not apply until both 1) the settlement is fully funded and 2) after entry  
4 of the approved order.

5 19. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue  
6 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an  
7 explanatory letter which will be mutually approved by the parties. Prior to mailing, the Settlement  
8 Administrator will perform a search based on the National Change of Address Database for information  
9 to update and correct for any known or identifiable address changes. Any checks returned as non-  
10 deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S.  
11 Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement  
12 Administrator will promptly attempt to determine the correct address using a skip-trace, or other search  
13 using the name, address or Social Security number of the Aggrieved Employee involved, and will then  
14 perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-  
15 cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the  
16 Settlement Administrator will be tendered to the LWDA. All settlement payments to Aggrieved  
17 Employees will be treated as miscellaneous income for which a 1099 will be issued.

18 20. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and the State of  
19 California will be forever barred from pursuing against Defendant any and all Settled Claims during the  
20 Settlement Period. Plaintiff releases all claims for statutory penalties that could have been sought by the  
21 Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff  
22 does not release any aggrieved employee's individual claims for wages or damages.

23 21. No Right to Exclusion or Objections by Representative Action Members. Because this  
24 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as proxies and as  
25 Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no  
26 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved  
27 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,  
28 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties

also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

22. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

23. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

24. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

25. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

26. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

27. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties with court approval

28. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant

1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
2 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each  
3 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to  
4 reach agreement on the form or content of any document needed to implement the Settlement, or on any  
5 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties  
6 may seek the assistance of the Court to resolve such disagreement.

7 29. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
8 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9 30. California Law Governs. All terms of this Settlement Agreement will be governed by  
10 and interpreted according to the laws of the State of California.

11 31. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
12 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
13 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and  
14 scanned copies of the signature pages, will be deemed to be one and the same instrument.

15 32. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
16 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this  
17 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that  
18 they are each represented by competent counsel and that they have had an opportunity to consult with  
19 their counsel regarding the fairness and reasonableness of this Settlement.

20 33. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that  
21 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from  
22 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

23 34. Invalidity of Any Provision. Before declaring any provision of this Settlement  
24 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
25 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement  
26 valid and enforceable.

27 35. Captions. The captions and section numbers in this Settlement Agreement are inserted  
28 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the

1 provisions of this Settlement Agreement.

2 36. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement  
3 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or  
4 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

5 37. Enforcement Action. In the event that one or more of the Parties institutes any legal  
6 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement  
7 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be  
8 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including  
9 expert witness fees incurred in connection with any enforcement actions.

10 38. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
11 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed  
12 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for  
13 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,  
14 all Parties have contributed to the preparation of this Settlement Agreement.

15 39. Representation By Counsel. The Parties acknowledge that they have been represented  
16 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and  
17 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed  
18 in full.

19 40. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good  
20 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this  
21 Settlement Agreement.

22 41. Binding Agreement. The Parties warrant that they understand and have full authority to  
23 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and  
24 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to  
25 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply  
26 under federal or state law.

27 42. Denial of Liability. The Parties expressly recognize that the making of this agreement  
28 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.

Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

### READ CAREFULLY BEFORE SIGNING

#### PLAINTIFF

Dated: 8/3/2022

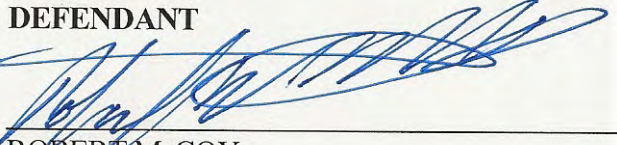
DocuSigned by:



MICHAEL FRANCHINI

#### DEFENDANT

Dated: 8-4-22



ROBERT McCOY

GENERAL CONSOLIDATED CONSTRUCTORS,  
INC

### APPROVED AS TO FORM

#### WORK LAWYERS PC

Dated: August 3, 2022



JUSTIN LO

Attorney for Plaintiff Michael Franchini

#### FISHER & PHILLIPS LLP

Dated: August 5, 2022



Mark Jacobs

Attorney for Defendant GENERAL  
CONSOLIDATED CONSTRUCTORS, INC

## **NOTICE OF SETTLEMENT**

To: *All current and former non-exempt employees of General Consolidated Constructors, Inc. during the period from June 9, 2019 to February 17, 2022.*

***YOU ARE NOT BEING SUED***

### **WHAT IS THIS NOTICE ABOUT?**

A settlement (the “Settlement”) has been reached between Plaintiff Michael Franchini, (“Plaintiff”) and Defendant *General Consolidated Constructors, Inc.*, (“Defendant”), in the action pending in the Court brought on behalf of the following individuals (the “Settlement Group”):

All nonexempt persons who worked for Defendant in California at any time from June 9, 2019, to February 17, 2022.

The Court has approved the Settlement. You have received this notice because *General Consolidated Constructors, Inc* records indicate that you are a member of the Settlement Group.

### **WHAT IS THIS LAWSUIT ABOUT?**

On June 9, 2020, Plaintiff brought an action entitled “*Michael Franchini, as an individual and on behalf of all similarly situated employees v. General Consolidated Constructors, Inc. and DOES 1 through 50, inclusive,*” designated as case no. RIC2001600 in the Superior Court of California for the County of Riverside (the “Court”). In the Action, Plaintiff alleged that Defendant: failed to keep accurate and complete time records; failed to pay for all hours worked; failed to pay at least minimum wage for all hours worked; failed to pay overtime at the proper rate; failed to pay double time at the proper rate; failed to maintain a compliant meal period policy and provide meal periods; failed to maintain a compliant rest period policy and make rest periods available; failed to pay premium wages for rest periods not made available; failed to record meal periods; failed to pay all wages earned on at least semimonthly paydays; improperly deducted from wages; failed to provide accurate wage statements; failed to provide wage notices under Labor Code section 2810.5; failed to pay all wages upon separation; and failed to reimburse employees for all expenses incurred during the course and scope of employment during the period of June 9, 2019 to February 17, 2022 in violation of Labor Code section 2699, *et seq.* claiming violations of specific sections of the Labor Code including sections 201-204, 221-225.5, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 2608, 2698, 2699.3, 2699.5, and 2810. Plaintiff sued for civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), Cal. Lab. Code § 2698 *et seq.* Under PAGA, any recovery of civil penalties is shared between the LWDA, which gets 75% of the penalties recovered, and the allegedly aggrieved employees, who get 25% of the penalties recovered.

Defendant denied and continue to deny all of Plaintiff’s material allegations. Specifically, Defendant contends that it complied with the requirements of the Labor Code and that civil penalties are not recoverable.

After good-faith negotiations in which both sides recognized the substantial risk of an uncertain outcome, Plaintiff and Defendant agreed to settle the Action pursuant to the terms and conditions of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that Plaintiff’s claim in the Action has merit or that it has any liability to Plaintiff or the group of individuals he seeks to represent on that claim.

### **WHO IS INCLUDED IN THE SETTLEMENT?**

You are included in the Settlement if you fall within the following definition:

All nonexempt persons who worked for Defendant in California at any time from June 9, 2019 to February 17, 2022

You are receiving this notice because Defendants’ records indicate that you are part of the Settlement Group.

### **WHAT WILL I RECEIVE FROM THE SETTLEMENT?**

**Settlement Shares.** Pursuant to PAGA, 75% of the Net Settlement Amount will go to the LWDA. The remaining 25% of the Net Settlement Amount will be distributed to Settlement Group Members in proportion to the number of weeks that they were an employee of Defendant's during the period from June 9, 2019 to February 17, 2022.

**Payment of Settlement Shares.** The Settlement Shares and other amounts awarded by the Court are included with this Notice. Checks for Settlement Shares must be cashed within 180 days after they are issued, or else the funds they represent will go to the State of California.

**Settlement Group Member Release.** The Settlement approved by the Court includes a release by the Plaintiff and the State of California of any all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period.

## **GETTING MORE INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which will be on file with the Clerk of the Court. The pleadings and other records in this litigation including the Settlement Agreement, may be examined at the Office of the Clerk of the Court, Superior Court of California for Riverside.

**PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANTS' COUNSEL FOR  
INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.  
YOU MAY, HOWEVER, CALL THE SETTLEMENT ADMINISTRATOR, PHOENIX  
SETTLEMENT ADMINISTRATOR AT:**

**[INSERT PHOENIX SETTLEMENT ADMINISTRATOR INFORMATION]**