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12 Attorneys for Defendants

13
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 IN AND FOR THE COUNTY OF SACRAMENTO
16

17 SERGHEI STIROI, an individual; IVAN
18 GUSHCHIN, an individual, and on behalf
of all others similarly situated,

19 Plaintiffs,

20 v.

21 ENERGY STAR LIGHTING &
22 ELECTRIC, INC.; VICTOR
YEVCHEKNO; DOES 1 to 20, inclusive,

23 Defendants.
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27
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Case No. 34-2020-00281895

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE**

1 This Joint Stipulation of Settlement and Release (hereinafter "Stipulation of Settlement")
2 is made and entered into by and between SERGHEI STIROI and IVAN GUSHCHIN ("Plaintiffs"
3 or "PAGA Representatives"), individually and on behalf of themselves, the State of California
4 and all other allegedly similarly aggrieved employees ("PAGA Members"), on the one hand, and
5 ENERGY STAR LIGHTING & ELECTRIC INC., and VIKTOR YEVCHENKO,
6 ("Defendants"), on the other.

7 This Stipulation of Settlement shall be binding on Plaintiffs, the State of California, and
8 those persons Plaintiffs represent as PAGA Members as provided herein, and on Defendants and
9 its/ their present and former parents, affiliated or related companies, shareholders, officers,
10 directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or
11 entity which could be jointly liable with Defendants, and their respective counsel, subject to the
12 terms and conditions hereof and the Court's approval.

13 THE PARTIES STIPULATE AND AGREE as follows:

14 1. Plaintiffs and Defendants are collectively referred to herein as "the Parties."

15 2. On or about April 20, 2020, Plaintiff Serghei Stiroi filed online a Private Attorneys
16 General Act ("PAGA") letter with the Labor and Workforce Development Agency, asserting
17 various California Labor Code violations against Defendants ("LWDA Notice Letter").

18 3. On July 16, 2020, Plaintiff Serghei Stiroi filed his Class and PAGA Complaint for
19 Damages ("Complaint") in the above captioned action against Energy Star Lighting & Electric
20 Inc. and Viktor Yevchenko (together "Defendants") in Sacramento County Superior Court
21 ("Lawsuit" or "Action").

22 4. On October 9, 2020, Plaintiffs filed their First Amended Complaint, adding
23 Plaintiff Ivan Gushchin to the Action.

24 5. Plaintiffs' Complaint alleges the following causes of action: (1) Unfair
25 Competition in Violation of Business and Professions Code sections 17200 et seq.; (2) Failure to
26 Provide Accurate Wage Statements; (3) Failure to Provide Minimum Wages for All Hours
27 Worked; (4) Failure to provide Meal and Rest Periods; (5) Waiting Time Penalties Pursuant to
28 Labor Code sections 201-203; (6) Failure to Pay Overtime Wages; (7) Failure to Reimburse

1 Business Expenses; (8) Civil Penalties Pursuant to Private Attorney General Act, Labor Code
2 section 2689, *et seq.* Their alleged Labor Code infractions form the basis for civil penalties under
3 PAGA. Plaintiffs' Complaint seeks to recover compensatory damages, including, but not limited
4 to, interest including pre- and post-judgment, Labor Code penalties, liquidated damages, PAGA
5 civil penalties, injunctive relief, and attorneys' fees and costs.

6 6. Defendants deny all material claims and allegations and assert numerous
7 affirmative defenses, including, but not limited to, failure to state a claim, failure to exhaust
8 administrative remedies, statute of limitations, waiver, laches, constitutionality, set off, lack of
9 willfulness, good faith dispute, unjust enrichment, estoppel, no subsequent violations, not an
10 aggrieved employee, and unmanageability.

11 7. Through arms-length, serious negotiations conducted with a qualified neutral
12 third-party mediator, Russ Wunderli, the Parties have reached a settlement of all PAGA claims
13 brought in the Lawsuit ("Settlement"). The Parties conducted an all-day mediation session with
14 the neutral mediator after the exchange of information to allow the parties to evaluate the merits
15 of Plaintiff's claims and the merits of Defendants' defenses to those claims. The negotiation
16 between the parties was adversarial and contentious, while remaining professional. These
17 negotiations allowed the parties to reach a final resolution as to Plaintiff's claims under the
18 Private Attorneys General Act, which will be submitted to the LWDA, and to the above captioned
19 Court for approval, pursuant to Labor Code section 2699(1)(2). The Parties have reached a
20 separate confidential individual settlement agreement with respect to Plaintiffs' asserted and
21 unasserted individual legal claims, including any non-PAGA claims. Plaintiffs have agreed to
22 dismiss the Class claims in their Action because the data provided by Defendants indicated that
23 the majority of persons who would have been members of the Class signed arbitration agreements
24 with Defendant, and the class would not have sufficient numerosity for certification. The Parties
25 now enter into this detailed, formalized settlement agreement with respect to the PAGA cause of
26 action and Plaintiffs' individual claims, subject to the Court's approval of the Settlement.

27 8. For purposes of this Settlement, the "Settlement Group" and/or "PAGA Members"
28 shall consist of all non-exempt employees who worked for Energy Star Lighting & Electric, Inc.

1 in the state of California between April 22, 2019 and the date of Court approval of the Settlement,
2 or September 30, 2021, whichever comes first.

3 9. Defendants deny any liability or wrongdoing of any kind whatsoever associated
4 with the claims and allegations alleged in Plaintiff's First Amended Complaint and LWDA
5 Notice Letter. As to Plaintiffs' representative PAGA claims, Defendants further deny that, for
6 any purpose other than settling this Lawsuit, these claims are appropriate for PAGA
7 representative treatment, and contend, among other things, that they/ it have complied with all
8 applicable state, federal and local laws regarding the payment of wages, accurate wage
9 statements, and meal and rest period provisions.

10 10. It is the desire of the Parties to fully, finally and forever settle, compromise and
11 discharge all disputes and claims that were alleged in Plaintiffs' First Amended Complaint and
12 LWDA Notice Letter in this case and that could have been alleged. To achieve a full and
13 complete release of Defendants, Plaintiffs, PAGA Counsel, and each PAGA Member
14 acknowledge that this Stipulation of Settlement is intended to include in its effect all claims
15 alleged, and that could have been alleged, in the LWDA Notice Letter and the Action, and all
16 Released Claims against all Released Parties (as defined herein) as of the date of the Court's
17 approval of this Settlement.

18 11. It is the intention of the Parties that this Stipulation of Settlement shall constitute a
19 full and complete settlement and release of all PAGA claims alleged in or that could have been
20 alleged in, and arising from or related to the allegations of, the Complaint and the LWDA Notice
21 Letter brought against Defendants, which release includes in its effect ENERGY STAR
22 LIGHTING & ELECTRIC INC., VIKTOR YEVCHENKO and all other present and former
23 owners, parents, affiliated or related companies, shareholders, officers, directors, employees,
24 agents, attorneys, insurers, and successors and assigns of Defendants, and any individual or entity
25 which could be jointly liable with Defendants.

26 12. Counsel for the PAGA Members has conducted a thorough investigation into the
27 facts of this representative case, including an extensive review of relevant documents and data,
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1 and has diligently investigated PAGA Members' claims against Defendants. Based on their own
2 independent investigation and evaluation, PAGA Counsel are of the opinion that the Settlement
3 with Defendants for the consideration and on the terms set forth in this Stipulation of Settlement
4 is fair, reasonable and adequate and is in the best interest of Plaintiffs and PAGA Members in
5 light of all known facts and circumstances, including the risk of significant delay, the numerous
6 defenses asserted by Defendants, and various potential appellate issues.

7 13. The Parties agree to cooperate and take all steps necessary and appropriate to
8 consummate this Settlement and to effectuate a judgment. In the event that: (i) the Court does not
9 approve the Settlement as provided herein; or (ii) the Effective Date does not occur for any other
10 reason apart from the Court's refusal to approve, then this Settlement Agreement—and any
11 documents generated to bring it into effect—will be null and void, and the Parties will be returned
12 to their respective positions.

13 14. This Settlement provides for mailing of an explanatory notice (as set forth in
14 **Exhibit A** below) and payment of Settlement Awards to all PAGA Members according to a
15 specified formula as provided herein. The gross total payment under the Settlement, including all
16 attorneys' fees and costs, settlement administration costs, interest, PAGA penalties and any other
17 payments provided by this Settlement is \$110,000.00. It is understood and agreed that
18 Defendants' gross total liability under this Settlement shall not exceed \$110,000.00. It is further
19 understood and agreed that Defendants shall have no obligation to pay any person, entity or
20 organization more than its gross total liability under this Settlement as set forth above, which
21 includes the total amount of: (1) the Settlement Awards to the Settlement Group; (2) the
22 attorneys' fees and costs approved by the Court; (3) the actual fees and expenses of the
23 Settlement Administrator; and (4) the enhancement payment to Plaintiffs, and (5) payment to the
24 State of California pursuant to PAGA.

25 TERMS OF SETTLEMENT

26 15. NOW THEREFORE, in consideration of the mutual covenants, promises and
27 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

28 a. It is agreed by and among Plaintiffs and Defendants that any PAGA claims,

1 damages or causes of action arising out of the disputes which are the subject of the LWDA Notice
2 Letter and this Action or that could have been included in the LWDA Notice Letter and this
3 Action, be settled and compromised as between the Plaintiffs, Settlement Group (including
4 Plaintiffs) and Defendants, subject to the terms and conditions set forth in this Stipulation of
5 Settlement and approval by the Court.

6 b. Effective Date: The Settlement embodied in this Stipulation of Settlement
7 shall become effective when all of the following events have occurred: (i) this Stipulation of
8 Settlement has been executed by all Parties and by counsel for the Settlement Group and
9 Defendants; (ii) the Plaintiffs/PAGA Representatives have signed individual general releases; (iii)
10 the Court has approved the PAGA Settlement.

11 c. Gross Settlement Amount, and Net Settlement Amount: To implement the
12 terms of this Settlement, Defendant Energy Star Lighting & Electric, Inc. agrees to pay a gross
13 settlement amount of \$110,000.00 ("Gross Settlement Amount").

14 i. At no time shall Defendant Energy Star Lighting & Electric Inc.
15 have the obligation to segregate the funds comprising the Gross Settlement Amount, and
16 Defendant Energy Star Lighting & Electric Inc. shall retain non-exclusive authority over and
17 responsibility for those funds subject to disbursement of funds necessary for the payment of the
18 Settlement Awards, the approved attorneys' fees and costs, the actual settlement administration
19 fees and expenses, the enhancement payment to the PAGA Representatives, and any other
20 payments provided by this Settlement. All Settlement Awards for the PAGA Members, all
21 attorneys' fees, costs, fees and expenses of the Settlement Administrator, and other payments
22 provided by this Settlement shall be paid out of the Gross Settlement Amount.

23 The Net Settlement Amount shall be calculated by deducting all attorneys' fees
24 and costs, the actual fees and expenses of the Settlement Administrator, and the PAGA
25 Representatives' enhancement award from the Gross Settlement Amount ("Net Settlement
26 Amount"). Any amount of the Gross Settlement Amount not required to pay administration
27 costs, attorneys' fees and costs, the PAGA Representatives' enhancement award, and any other
28 payments provided by this Settlement, shall be included in the Net Settlement Amount. The

1 Settlement Awards to PAGA Members will be calculated by the Settlement Administrator based
2 on Defendant Energy Star Lighting & Electric Inc.'s records and paid out of the Net Settlement
3 Amount as detailed in section (d) below. The Gross Settlement Amount shall be paid by
4 Defendants to the Settlement Administrator within 30 days after the Settlement becomes final and
5 effective under Paragraph 15(b), or on May 1, 2022 (provided that the Settlement is final and
6 effective under Paragraph 15(b)), whichever date is later.

7 d. California Private Attorneys' General Act Allocation: Seventy-five
8 Percent (75%) of the Net Settlement Amount will be paid to the State of California LWDA
9 pursuant to the California Private Attorneys General Act forty-five (45) days after the Settlement
10 becomes final and effective under Paragraph 15(b) or forty-five (45) days after May 1, 2022
11 (provided that the Settlement is final and effective under Paragraph 15(b)), whichever date is
12 later, and the remaining 25% is paid as Settlement Awards to the PAGA Members. The
13 Settlement Awards will be calculated by the Settlement Administrator based on Defendant
14 Energy Star Lighting & Electric Inc.'s records and paid out of the Net Settlement Amount as
15 detailed in section (e) below.

16 e. Settlement Awards: The Settlement Administrator shall first determine for
17 each PAGA Member the pay periods he or she actively worked for Defendant Energy Star
18 Lighting & Electric Inc. during the PAGA Period. The Settlement Administrator shall divide the
19 amount of the Net Settlement Amount by the sum of all PAGA Members' pay periods worked to
20 calculate an "Estimated Amount Per Pay Period." For each PAGA Member, the Settlement
21 Administrator shall then multiply the Estimated Amount Per Pay Period by the PAGA Member's
22 pay periods worked in the Settlement Period to determine each individual Settlement Award. The
23 Settlement Award process is discussed further below.

24 f. Allocation and Taxability of Settlement Awards: The individual
25 Settlement Awards payable to PAGA Members shall be allocated entirely to alleged unpaid
26 penalties and unpaid interest, for which IRS Forms 1099 MISC will issue to PAGA Members.
27 Each PAGA Member shall be individually responsible for the employee's share of taxes
28 attributable to receipt of any payments under this Settlement.

1 g. Settlement Awards Do Not Trigger Additional Benefits: All Settlement
2 Awards to PAGA Members shall be deemed to be income to such PAGA Members solely in the
3 year in which such awards actually are received by the PAGA Members. It is expressly
4 understood and agreed that the receipt of such Settlement Awards will not entitle any PAGA
5 Member to additional compensation or benefits under any company bonus, contest or other
6 compensation or benefit plan or agreement in place during the period covered by the Settlement,
7 nor will it entitle any PAGA Member to any increased retirement, 401(k) benefits or matching
8 benefits, or deferred compensation benefits. No deductions or contributions for 401(k) shall be
9 made from the Settlement Awards. It is the intent of this Settlement that the Settlement Awards
10 provided for in this Agreement are the sole payments to be made by Defendant Energy Star
11 Lighting & Electric Inc. to PAGA Members in connection with this Settlement, and that the
12 PAGA Members are not entitled to any new or additional compensation or benefits as a result of
13 having received the Settlement Awards (notwithstanding any contrary language or agreement in
14 any benefit or compensation plan document that might have been in effect during the period
15 covered by this Settlement).

16 h. Attorneys' Fees and Attorneys' Costs: Subject to Court approval,
17 Attorneys' fees and costs shall be paid to Plaintiffs' Counsel from the Gross Settlement Amount,
18 as set forth below. The Court-approved attorneys' fees and costs will be paid out of the Escrow
19 Account to PAGA Counsel within 30 days after the Settlement becomes final and effective under
20 Paragraph 15(b) or 30 days after May 1, 2022 (provided that the Settlement is final and effective
21 under Paragraph 15(b)), whichever date is later. Attorneys' fees and costs are discussed further
22 below.

23 i. Settlement Administrator: The fees of the Settlement Administrator for
24 work done shall be paid from the Gross Settlement Amount. If the Settlement is ineffective for
25 any reason under Paragraph 15(b) above, the Parties shall evenly split the settlement
26 administration costs regardless of the outcome of the Settlement. Simpluris has capped the
27 settlement administration fees at \$3,000.00. The Court-approved Settlement Administrator's
28

1 expenses will be paid within 30 days after the Settlement becomes final and effective under
2 Paragraph 15(b) or 30 days after May 1, 2022 (provided that the Settlement is final and effective
3 under Paragraph 15(b)), whichever date is later. The Settlement Administrator is discussed
4 further below.

5 j. PAGA Representative Enhancement Payment: Plaintiffs, as the PAGA
6 Representatives, will receive an Enhancement Payment in an amount not to exceed Five
7 Thousand Dollars and No Cents (\$ 5,000.00) to compensate them for the risks, time, and expense
8 of their involvement in the Action and securing the benefits of this Agreement for the State of
9 California and PAGA Members. The Enhancement Payment is in addition to the any amount
10 Plaintiffs would otherwise be due under the Agreement as a PAGA Member.

11 SETTLEMENT ADMINISTRATION

12 16. The Parties will agree to the appointment of Simpluris as the Settlement
13 Administrator; however, the Parties shall have the right to select or substitute a different
14 Settlement Administrator by mutual agreement at any time. The Settlement Administrator will
15 send an agreed upon explanatory notice of the Settlement, attached hereto as **Exhibit A**, along
16 with the Settlement Award to all PAGA Members as discussed herein. The Settlement
17 Administrator will calculate the Settlement Award amounts due to PAGA Members in
18 accordance with this Stipulation of Settlement. The Settlement Administrator shall report, in
19 summary or narrative form, the substance of its findings. Upon receipt of funds from Defendant
20 Energy Star Lighting & Electric Inc. and as provided by the terms of the Settlement, the
21 Settlement Administrator will issue and send out the Settlement Awards to PAGA Members. Tax
22 treatment of the Settlement Awards will be as set forth herein, and in accordance with state and
23 federal tax laws. All disputes relating to the Settlement Administrator's performance of duties
24 shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
25 and conditions of this Stipulation of Settlement until all payments and obligations contemplated
26 by this Stipulation of Settlement have been fully carried out.

27 ATTORNEYS' FEES AND COSTS

28 17. In consideration for settling this matter and in exchange for the release of claims

1 by the Settlement Group, and subject to approval or modification by the Court, PAGA Counsel's
2 attorneys' fees shall be subtracted from the Gross Settlement Amount as approved by the Court.
3 Subject to Court approval, PAGA Counsel's attorney's fees shall be an amount not to exceed
4 40% of the Gross Settlement Amount, that is \$44,000.00. In addition, and also subject to Court
5 approval, PAGA Counsel shall be reimbursed for their out-of-pocket expenses, in the amount of
6 \$3,958.40. Subject to the maximum application amount of these above stated amounts, attorneys'
7 fees and costs approved by the Court will cover all work performed and all fees and costs
8 incurred to date, and all work to be performed and all fees and costs to be incurred in connection
9 with the approval by the Court of this Stipulation of Settlement, the administration of the
10 Settlement, and final judgment in this case. The attorneys' fees and costs approved by the Court
11 shall be paid out of the Settlement Administrator's Escrow Account to PAGA Counsel within 30
12 days after the Settlement becomes final and effective under Paragraph 15(b) above, or within 30
13 days of May 1, 2022 (provided that the Settlement is final and effective under Paragraph 15(b)),
14 whichever date is later.

15 SETTLEMENT AWARD ADMINISTRATION

16 18. Thirty (30) calendar days after the Parties have executed this Stipulation of
17 Settlement, Defendant Energy Star Lighting & Electric Inc. shall provide to the Settlement
18 Administrator a spreadsheet, which will list for each PAGA Member the PAGA Member's name,
19 last-known address, last-known telephone number, and the number of pay periods worked
20 through the date of the report. This spreadsheet shall be based on Defendants' payroll and other
21 business records. The Settlement Administrator will run a check of the PAGA Members' address
22 against those on file with the U.S. Postal Service's National Change of Address Database. Within
23 45 calendar days after the Settlement becomes final and effective under Paragraph 15(b) or 45
24 days after May 1, 2022 (provided that the Settlement is final and effective under Paragraph
25 15(b)), whichever date is later, the Settlement Administrator will mail the Notice accompanying
26 the Settlement Award to all PAGA Members.

27 a. Prior to the mailing of the Notice and Settlement Award, the Settlement
28 Administrator will search for updated addresses through the U.S. Postal Service's National

1 Address Database. Notices returned to the Settlement Administrator as non-delivered shall be re-
2 mailed to the forwarding address, if any, on the returned envelope; any returned envelopes with
3 forwarding addresses will be used by the Settlement Administrator to forward the Notice to
4 PAGA Members. If no forwarding address is provided, the Settlement Administrator will
5 perform a computer search for a new address and an additional skip tracing pursuant to its usual
6 and customary procedures.

7 b. All costs associated with the Notices are part of, and included within, the
8 Gross Settlement Amount.

9 SETTLEMENT AWARD PROCESS

10 19. Within 45 days after the Settlement becomes final and effective under Paragraph
11 15(b) or 45 days after May 1, 2022 (provided that the Settlement is final and effective under
12 Paragraph 15(b)), whichever date is later, the Settlement Award checks, paid from the Escrow
13 Account, will be mailed to PAGA Members along with the Notice. Settlement Award checks
14 shall remain valid and negotiable for 90 calendar days from the date of issuance and will be
15 cancelled by the Settlement Administrator if not cashed within that time. The checks provided to
16 PAGA Members shall prominently state the checks will expire in 90 calendar days, or
17 alternatively, such a statement may be made in the explanatory notice accompanying the check.
18 PAGA Members shall be bound by the Settlement whether or not they cash a Settlement Award
19 Check.

20 20. Any unclaimed funds in the Settlement Administrator's account as a result of a
21 failure to timely cash a settlement check shall be handled by the Settlement Administrator and be
22 issued to the California Department of Unclaimed Property.

23 RELEASED CLAIMS

24 21. Upon approval by the Court of this Stipulation of Settlement, each PAGA
25 Member, including Plaintiffs, and the State of California fully release and discharge Defendants,
26 its/ their present and former owners, parents, affiliated or related companies, shareholders,
27 officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any
28 individual or entity which could be jointly liable with Defendants ("Released Parties"), from any

1 and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'
2 fees, damages, interest, penalties, action or causes of action of any nature under state, federal or
3 local law arising out of the facts alleged in the Complaint and the LWDA Notice Letter relating to
4 the PAGA cause of action, and any other PAGA claims that were raised or could have been raised
5 or relate to those that were raised in the LWDA Notice Letter and Lawsuit including without
6 limitation representative claims, civil penalties, other related claims and/or civil penalties
7 ("PAGA Released Claims"). By and through this Settlement each PAGA Member and the State
8 of California forever agrees it, he, she shall not be entitled to pursue, accept or recover damages
9 for any PAGA Released Claims against the Released Parties from April 22, 2019 to Court
10 approval of this Settlement, or September 30, 2021, whichever comes first.

11 PARTIES' DUTIES TO OBTAIN COURT APPROVAL OF THE PAGA SETTLEMENT

12 22. The Parties shall promptly submit this Stipulation of Settlement to the Court
13 within one week of all signatures being obtained. This Settlement shall remain confidential until
14 filed with the Court. Promptly upon execution of this Stipulation of Settlement, Plaintiffs shall
15 apply to the Court for entry of an order approving the PAGA Settlement consistent with the terms
16 provided herein.

17 PARTIES' AUTHORITY

18 23. The signatories hereto hereby represent that they are fully authorized to enter into
19 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

20 MUTUAL FULL COOPERATION

21 24. The Parties agree to fully cooperate with each other to accomplish the terms of this
22 Stipulation of Settlement, including but not limited to, execution of such documents and taking
23 such other action as reasonably may be necessary to implement the terms of this Stipulation of
24 Settlement. Once the Settlement is final and effective, the Parties agree to seek final dismissal of
25 the Lawsuit. Plaintiffs agree to dismiss their individual and the PAGA claims with prejudice, and
26 the class claims without prejudice. The Parties to this Stipulation of Settlement shall use their best
27 efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts
28 that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of

1 Settlement and the terms set forth herein. As soon as practicable after execution of this
2 Stipulation of Settlement, PAGA Counsel shall, with the assistance and cooperation of
3 Defendants and their counsel, take all necessary steps to secure the Court's final approval of this
4 Stipulation of Settlement.

5 NO PRIOR ASSIGNMENTS

6 25. The Parties and their counsel represent, covenant and warrant that they have not
7 directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or
8 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
9 action or right herein released and discharged except as set forth herein.

10 NO ADMISSION

11 26. Nothing herein shall constitute any admission by Defendants of wrongdoing or
12 liability, or of the truth of any factual allegations in the Lawsuit. Nothing herein shall constitute
13 an admission by Defendants that the Lawsuit was properly brought as a representative action
14 other than for settlement purposes. To the contrary, Defendants have denied and continue to deny
15 each and every material factual allegation and alleged claim asserted in the Lawsuit. To this end,
16 the settlement of the Lawsuit, the negotiation and execution of this Stipulation of Settlement, and
17 all acts performed or documents executed pursuant to or in furtherance of this Stipulation of
18 Settlement or the settlement are not, shall not be deemed to be, and may not be used as, an
19 admission or evidence of any wrongdoing or liability on the part of Defendants or of the truth of
20 any of the factual allegations in the Lawsuit; and are not, shall not be deemed to be, and may not
21 be used as, an admission or evidence of any fault or omission on the part of Defendants in any
22 civil, criminal or administrative proceeding any court, administrative agency or other tribunal.

23 CONSTRUCTION

24 27. The Parties hereto agree that the terms and conditions of this Stipulation of
25 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and
26 through a third-party mediator, and this Stipulation of Settlement shall not be construed in favor
27 of or against any party by reason of the extent to which any party or his, her or its counsel
28 participated in the drafting of this Stipulation of Settlement. All Parties have contributed to the

1 preparation and drafting of this Settlement Agreement.

2 CAPTIONS AND INTERPRETATIONS

3 28. Paragraph titles or captions contained herein are inserted as a matter of
4 convenience and for reference, and in no way define, limit, extend or describe the scope of this
5 Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement is
6 contractual and not merely a recital.

7 MODIFICATION

8 29. This Stipulation of Settlement may not be changed, altered or modified, except in
9 writing and signed by the Parties hereto and approved by the Court. This Stipulation of
10 Settlement may not be discharged except by performance in accordance with its terms or by a
11 writing signed by the Parties hereto.

12 INTEGRATION CLAUSE

13 30. This Stipulation of Settlement contains the entire agreement between the Parties
14 relating to the Stipulation of Settlement, and all prior or contemporaneous agreements,
15 understandings, representations and statements, whether oral or written and whether by a party or
16 such party's legal counsel, are merged herein. No rights hereunder may be waived except in
17 writing.

18 BINDING ON ASSIGNS

19 31. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
20 Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

21 PAGA MEMBER SIGNATORIES

22 32. It is agreed that because the PAGA Members are so numerous, it is impossible or
23 impractical to have each PAGA Member execute this Stipulation of Settlement. Further, it is not
24 legally required for each PAGA Member to sign in order for the Settlement to be binding upon
25 the State of California and PAGA Members.

26 COUNTERPARTS

27 33. This Stipulation of Settlement may be executed in counterparts and by facsimile
28 signatures, and when each party has signed and delivered at least one such counterpart, each

1 counterpart, including email and PDF versions, shall be deemed an original and, when taken
2 together with other signed counterparts, shall constitute one Stipulation of Settlement binding
3 upon and effective as to all Parties.

4 **NO PUBLICITY MEDIA AND PRESS COMMUNICATIONS**

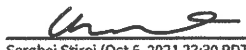
5 34. The PAGA Representatives agree that they will not publicize this litigation or this
6 Settlement in any manner. The PAGA Representatives and PAGA Counsel agree that they will
7 not issue any press releases, initiate any contact with the press, respond to any press inquiry, or
8 have any communication with the press about this case. If contacted by the press or media,
9 Plaintiffs may only state that the case has been resolved. The PAGA Representatives will refrain
10 from discussing the terms or the fact of this Settlement with third parties other than: (1) their
11 immediate family members; and (2) their accountants or lawyers as necessary for tax purposes. If
12 they are asked by any person or entity about the matter, they may only state that the case has been
13 resolved.

14 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
15 Joint Stipulation of Settlement and Release between Plaintiffs and Defendants as of the date(s) set
16 forth below:

17 **PLAINTIFFS AND PAGA REPRESENTATIVES**

18 Dated: Oct 6, 2021

PLAINTIFF SERGHEI STIROI

21 By 
22 Serghei Stiroi (Oct 6, 2021 23:30 PDT)
SERGHEI STIROI

24 Dated: _____

PLAINTIFF IVAN GUSHCHIN

27 By _____
28 IVAN GUSHCHIN

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10 from discussing the terms or the fact of this Settlement with third parties other than: (1) their
11 immediate family members; and (2) their accountants or lawyers as necessary for tax purposes. If
12 they are asked by any person or entity about the matter, they may only state that the case has been
13 resolved.

14 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
15 Joint Stipulation of Settlement and Release between Plaintiffs and Defendants as of the date(s) set
16 forth below:

17 **PLAINTIFFS AND PAGA REPRESENTATIVES**

18
19 Dated: _____

PLAINTIFF SERGHEI STIROI

21
22 By _____
SERGHEI STIROI

23
24 Dated: Oct 11, 2021

PLAINTIFF IVAN GUSHCHIN

26
27 By  _____
Ivan Gushchin (Oct 11, 2021 12:27 PDT)
28 IVAN GUSHCHIN

1
2 **DEFENDANTS**

3 Dated: 10 / 14 / 2021

DEFENDANT ENERGY STAR LIGHTING
& ELECTRIC, INC.

5 By 

6 on Behalf of ENERGY STAR LIGHTING
7 & ELECTRIC, INC.

8
9 Dated: 10 / 14 / 2021

DEFENDANT VIKTOR YEVCHENKO

11 By 
12 VIKTOR YEVCHENKO

13
14 **PLAINTIFFS' COUNSEL**

15
16 Dated: 10/11/2021

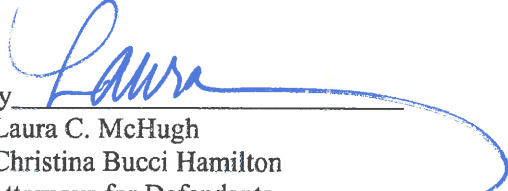
CASTLE LAW: CALIFORNIA
EMPLOYMENT COUNSEL, PC

18
19 By 
20 TIMOTHY B. DEL CASTILLO, ESQ.
21 Attorneys for Plaintiff

22 **DEFENDANTS' COUNSEL**

23 Dated: 10/14/2021

DUGGAN MCHUGH LAW CORPORATION

24
25 By 
26 Laura C. McHugh
27 Christina Bucci Hamilton
28 Attorneys for Defendants

1
2 **EXHIBIT A**

3 **NOTICE OF PAGA SETTLEMENT**

4 *Serghei Stiroi v. Energy Star Lighting & Electric Inc.*
5 Superior Court of the State of California for the County of Sacramento,
6 Case No. 34-2020-00281895

7 [Settlement Administrator]

8 [Name]

9 [Address]

10 [Name]

11 [Address]

12 You are receiving this Notice because of a lawsuit brought by former employees of
13 Energy Star Lighting & Electric, Inc. ("Plaintiff"), against ENERGY STAR LIGHTING &
14 ELECTRIC, INC. and VIKTOR YEVCHENKO ("Defendants"), for civil penalties pursuant to
15 the Private Attorneys General Act, California Labor Code § 2698 *et seq.* ("PAGA").

16 Defendants strongly deny these claims and denies that they owe any penalties. To avoid
17 further time and expense in litigation, Defendants and Plaintiffs have agreed to settle the case.
18 The settlement resolves and releases all the claims that were asserted and could have been
19 asserted in the lawsuit on behalf of all employees who worked in California for ENERGY
20 STAR LIGHTING & ELECTRIC, INC. any time during the period from April 22, 2019 through
21 and including _____ ("PAGA Member").

22 According to Defendant's records, you are a PAGA Member and are therefore entitled to
23 a share of the settlement. Enclosed with this Notice is your settlement check. The settlement
24 check shall remain valid for ninety (90) days. Checks remaining un-cashed for more than 90
25 days after issuance will be tendered to the California Department of Unclaimed Property within
26 fourteen (14) calendar days from the date on which PAGA Members' checks become void.
27
28