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SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

JESUS ALVARADO, individually and on
 behalf of other persons similarly situated,

Plaintiff,

vs.

**MOFFA ELECTRICAL ENGINEERING,
 INC.; NICOLE K. MOFFA; and DOES 1-50,**

Defendants.

Case No.: 20STCV27850

[Assigned to Hon. Amy D. Hogue, Dept. 7]

CLASS ACTION

**STIPULATION OF CLASS ACTION
 AND PAGA SETTLEMENT**

Filed: July 24, 2020
 Trial: N/A

STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

IT IS HEREBY STIPULATED, by and between Plaintiff JESUS ALVARADO, and Defendants MOFFA ELECTRICAL ENGINEERING, INC. and NICOLE K. MOFFA on the other hand, and subject to the approval of the Court, that the Action is hereby being compromised and settled pursuant to the terms and conditions set forth in this Stipulation of Class Action and PAGA Settlement and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, subject to the definitions, recitals and terms set forth herein which by this reference become an integral part of this Agreement:

DEFINITIONS

1. "Agreement" means this Stipulation of Class Action Settlement.
2. "Action" means the lawsuit known as *Alvarado v. Moffa Electrical Engineering,*

1 *Inc.*, filed in Los Angeles Superior Court on or about July 24, 2020, Case No. 20STCV27850.

2 3. “Class Counsel” means Kenneth A. Goldman of Law Office of Kenneth
3 Goldman, PC and Sahag Majarian of the Law Offices of Sahag Majarian, II

4 4. “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and
5 resolution of this Action and their expenses and costs incurred in connection with the Action,
6 paid from the Gross Settlement Fund as described in Paragraph 63 below.

7 5. “Class Information” means information regarding Settlement Class Members that
8 Defendants will in good faith compile from their records and provide to the Settlement
9 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each
10 Settlement Class Member’s full name; last known address; last known home telephone number;
11 Social Security number; start date of employment; end date of employment; and Compensable
12 Weeks for the Settlement Class.

13 6. “Class Members” means all current and former hourly-paid, non-exempt
14 employees of Moffa Electrical Engineering, Inc. within California at any time during the Class
15 Period (or if any such person is incompetent, deceased, or unavailable due to military service, the
16 person’s legal representative or successor in interest evidenced by reasonable verification).

17 7. “Class Period” means the period from July 24, 2016 through July 1, 2021.

18 8. “Class Representative Service Award” means the award provided to Plaintiff in
19 recognition of his participation in this litigation as described in Paragraph 62 below.

20 9. “Compensable Weeks” means the number of weeks during which members of the Wages
21 Settlement Class was employed directly by Defendants during the Class Period.

22 10. “Costs” means those amounts of money reasonably expended to litigate, and
23 settle, this matter.

24 11. “Court” means the Los Angeles County Superior Court.

25 12. “Defendants” means Moffa Electrical Engineering, Inc. and Nicole K. Moffa
26 (“MOFFA” or “Defendants”).

27 13. “Defense Counsel” means Robert Walters, Esq. of the Law Office of Robert W.
28 Walters.

1 14. “Effective Date” means the date upon which the Court grants final approval of the
2 Settlement if the order granting final approval provides for all requested attorney’s fees, costs,
3 and Class Representative Service Award amounts in Plaintiff’s motion for final approval without
4 reduction and (a) no Settlement Class Members file objections to the Settlement, or (b) any
5 Settlement Class Member files an objection but it is subsequently withdrawn. However, if an
6 appeal or other appellate proceeding is initiated, the Effective Date shall be the date the trial
7 court regains jurisdiction following the latter of termination of all appellate proceedings or the
8 expiration of the time to bring further appeal. In the event that the Court reduces any requested
9 attorney’s fees, costs, and Class Representative Service Award amounts, and no Settlement Class
10 Member filed an objection or any objection was subsequently withdrawn, Plaintiff may inform
11 Defense Counsel in writing of his intent to waive any right to appeal, and the Effective Date shall
12 then mean the date upon which said written notice is provided to Defendant.

13 15. “Final Approval Order” refers to the order of the Court granting final approval of
14 this Settlement and entering a judgment approving this Settlement on substantially the terms
15 provided herein or as the same may be modified by subsequent agreement of the Parties.

16 16. “Former Employee” means those Settlement Class Members who are former
17 hourly-paid, non-exempt employees of MOFFA within California (or if any such person is
18 incompetent, deceased, or unavailable due to military service, the person’s legal representative or
19 successor in interest evidenced by reasonable verification) as of the date of upon which the Court
20 grants preliminary approval of the Settlement.

21 17. “Gross Settlement Fund” means the maximum amount to which Defendant is
22 obligated to pay under this Agreement, inclusive of all costs, fees, and expenses, in the
23 amount of One Hundred Twenty-Five Thousand Dollars and zero cents (\$125,000.00) to be paid
24 by Defendants in full satisfaction of all claims arising from the Action, which includes all
25 Individual Settlement Payments to Settlement Class Members, Class Counsel Award, the Class
26 Representative Enhancement Payment to Plaintiff, Settlement Administration Costs to the
27 Settlement Administrator, and the Labor Code Private Attorneys General Act of 2004 (Cal. Lab.
28 Code §§ 2698, *et seq.*, “PAGA”) Payment. This Gross Settlement Fund has been agreed to by

1 Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of
2 individual claims. In no event will Defendants be liable for more than the Gross Settlement
3 Fund absent the conditions set forth in Paragraph 67 below, and which could cause the Gross
4 Settlement Fund to increase based upon a larger than anticipated number of Settlement Class
5 Members. Defendants maintain no reversionary right to any portion of the Gross Settlement
6 Fund. The entire Gross Settlement Fund will be distributed, and no part of the Gross Settlement
7 Fund will revert to Defendants. The Gross Settlement Fund does not include employer-side
8 payroll taxes, and any tax obligations owed by MOFFA shall be paid separate and apart from the
9 Gross Settlement Fund.

10 18. "Individual Settlement Payment" means the amount payable to each Settlement
11 Class Member as described in Paragraph 61 below.

12 19. "LWDA Payment Amount" means 75% of the PAGA Settlement Fund.

13 20. "Net Settlement Amount" or "NSA" means the Gross Settlement Fund, less Class
14 Counsel Award, Costs, Class Representative Service Award, the PAGA Settlement Fund, and
15 Settlement Administrator Costs.

16 21. "Notice Packet" means the Notice of Proposed Class Action Settlement
17 (substantially in the form attached as **Exhibit A**).

18 22. "PAGA Employee Share" means 25% of the PAGA Settlement Fund.

19 23. "PAGA Period" means the period of May 4, 2019 through June 3, 2021.

20 24. "PAGA Settlement Class" means all current and former hourly-paid, non-exempt
21 employees who worked in California directly for Moffa Electrical Engineering, Inc. at any time
22 during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to
23 military service, the person's legal representative or successor in interest evidenced by
24 reasonable verification). PAGA Settlement Class Members may not exclude themselves from
25 the PAGA portion of the Settlement if approved by the Court.

26 25. "PAGA Settlement Fund" means the portion of the Gross Settlement Fund that
27 the Parties have agreed will be allocated and paid to settle all claims and remedies under the
28 PAGA. The amount of the PAGA Payment is subject to court approval pursuant to California

1 Labor Code section 2699(l). The Parties have agreed that Two Thousand Five Hundred Dollars
2 (\$2,500) of the Gross Settlement Fund shall be allocated to the resolution of any PAGA
3 Settlement Class Members' claims arising under the PAGA. Pursuant to the PAGA, 75%, or
4 One Thousand Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), of the PAGA
5 Settlement Fund shall be paid to the California Labor and Workforce Development Agency
6 ("LWDA"), and 25%, or Six Hundred Twenty-Five Dollars and Zero Cents (\$625.00), of the
7 PAGA Settlement Amount shall be part of the Net Settlement Amount to be distributed to the
8 PAGA Settlement Class and considered penalties for tax liability purposes.

9 26. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean
10 either Plaintiff individually or Defendants as defined above.

11 27. "Plaintiff" means Jesus Alvarado.

12 28. "Released Claims" shall collectively mean all claims against the Released Parties
13 (as defined below), or any of them, for any type of relief, damages, costs and penalties, that
14 accrued during the Class Period (defined as July 24, 2016 through July 1, 2021), and as a result
15 of Class Members' employment at Defendants, which relate to or arise under any state or local
16 law or state administrative order that was or could have been pled based on the facts alleged in
17 the operative complaint relating to claims of failure to pay all wages due each pay period, failure
18 to pay minimum wages, failure to pay overtime wages, failure to furnish accurate wage
19 statements, failure to pay final wages upon separation of employment, violations of California's
20 meal and rest period laws, wage theft/time shaving and/or rounding, attorneys' fees or litigation
21 costs, violations of and/or claims under California *Labor Code* sections 201, 202, 203, 204, 226,
22 226.7, 227.3, 512(a), 2802, 1194, 1194.2, and the California Industrial Welfare Commission
23 orders, and including without limitation, all related claims for restitution and other equitable
24 relief arising under the Private Attorney General Act, *Business and Professions Code* §§ 17200
25 *et seq.*, and interest on unpaid wages. The release specifically excludes claims for workers'
26 compensation, personal injuries, unemployment insurance, state disability compensation, claims
27 under the Employment Retirement Income Security Act of 1974, previously vested benefits
28 under any Employer-sponsored benefits plan, wrongful termination, discrimination, retaliation,

and harassment including but not limited to those arising under the Age Discrimination In Employment Act, the California Fair Employment and Housing Act, Title VII of the Federal Civil Rights Act of 1964, and/or Federal Civil Rights Act of 1991, or any similar state or federal laws, the California Family Rights Act, the Federal Family Medical Leave Act, the California Pregnancy Leave Law, or similar state or federal laws, the Federal Equal Pay Act of 1963, violations of the Americans with Disabilities Act of 1990 or violations of any other state or federal law, rule or regulation concerning discrimination, retaliation and/or harassment. In consideration for the service award and as an inducement for Defendants to enter into this Stipulation, Class Representative's Released Claims (and only the Class Representative) additionally include any and all claims including Unknown Claims against Defendants that accrued during the Class Period, but does not include claims for: age discrimination under the Age Discrimination In Employment Act, unemployment insurance, workers' compensation benefits, state disability compensation, previously vested benefits under any Employer-sponsored benefits plan or claims under the Employment Retirement Income Security Act of 1974.

29. "Released Parties" means Defendants, each of their respective parent companies, subsidiaries, current and former management companies, shareholders, members, owners, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.

30. "Relevant Pay Period" means any period for which wages are or were due and payable on regular paydays, and for which wage statements were issued during the period of May 4, 2019 through the date of preliminary approval.

31. "Response Deadline" means the date forty-five (45) days after the Settlement Administrator mails Notice Packets to Settlement Class Members and the last date on which Settlement Class Members may request for exclusion and/or objection to the Settlement.

32. "Settlement" means the disposition of the Action pursuant to this Agreement.

33. "Settlement Administration Costs" means the amount to be paid to the Settlement

1 Administrator from the Gross Settlement Fund for administration of this Settlement.

2 34. "Settlement Administrator" means [Simpluris, Inc./CPT Group/TBD].

3 35. "Settlement Class Members" means any Class Member who does not submit a
4 timely and valid request for exclusion as provided in this Agreement.

5 36. "Wages Payment Ratio" means the respective Compensable Weeks for each
6 Settlement Class Member divided by the total Compensable Weeks for all Settlement Class
7 Members.

8 37. "Wages Settlement Class" refers to a subclass definition consisting of all
9 Settlement Class Members for the purpose of establishing settlement fund payment ratios
10 according to the formula set forth in Paragraph 61 below.

11 38. "Wages Settlement Fund" means eighty percent (80%) of Net Settlement Amount
12 allocated for unpaid wages, overtime, wage statement penalties, meal period premiums, and rest
13 period premiums, as described in Paragraph 61 below.

14 39. "203 Payment Ratio" means the portion of the 203 Settlement Fund divided by
15 the total number of Settlement Class Members who are identified as members of the 203
16 Settlement Class.

17 40. "203 Settlement Fund" means twenty percent (20%) of the portion of the Net
18 Settlement Amount as described in Paragraph 61 below.

19 41. "203 Settlement Class" means all Settlement Class Members who are Former
20 Employees as defined above.

21 RECITALS

22 42. Class Certification. The Parties stipulate and agree to the certification of this
23 Action for purposes of this Settlement only. Should the Settlement not become final and
24 effective as herein provided, class certification shall immediately be set aside and the Settlement
25 Class immediately decertified (subject to further proceedings on motion of any party to certify or
26 deny certification thereafter). The Parties' willingness to stipulate to class certification as part of
27 the Settlement shall have no bearing on, and shall not be admissible in or considered in
28 connection with, the issue of whether a class should be certified in a non-settlement context in

1 this Action and shall have no bearing on, and shall not be admissible or considered in connection
2 with, the issue of whether a class should be certified in any other lawsuit or arbitration.

3 43. Procedural History. On or about July 24, 2020, Plaintiff filed a Class Action
4 lawsuit in Los Angeles Superior Court. On May 4, 2020, Plaintiff submitted his letter to the
5 Labor & Workforce Development Agency (“LWDA”) as a prerequisite to pursue penalties under
6 the Labor Code Private Attorneys General Act of 2004.

7 44. The Parties subsequently agreed to mediate the Action with retired Superior Court
8 Judge, Hon. Lisa Hart Cole. In preparation, Defendants voluntarily provided time records and
9 payroll history Plaintiff, hire and termination dates for the putative class, plus various policies
10 and wage data.

11 45. On June 25, 2021, the parties participated in an all-day mediation where an
12 agreement-in-principle was reached.

13 46. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize
14 the expense and length of continued proceedings necessary to litigate their disputes through trial
15 and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk
16 of the outcome of further litigation, including the possibility that one or more of the alleged
17 classes may not be certified, and the difficulties and delays inherent in such litigation. Plaintiff
18 and Class Counsel are also aware of the burdens of proof necessary to establish liability for the
19 claims asserted in the Action, both generally and in response to Defendant’s defenses thereto,
20 and the difficulties in establishing damages for the Settlement Class Members. Plaintiff and
21 Class Counsel have also taken into account the extensive settlement negotiations conducted.
22 Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth
23 in this Agreement is a fair, adequate and reasonable settlement, and is in the best interests of the
24 Settlement Class Members.

25 47. Defendants’ Reasons for Settlement. Defendants have concluded that any further
26 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts
27 of time and resources of Defendants have been and, unless this Settlement is made, will continue
28 to be devoted to the defense of the claims asserted by Plaintiff and Settlement Class Members.

1 Defendants have also taken into account the risks of further litigation in reaching their decision
2 to enter into this Settlement. Despite continuing to contend that it is not liable for any of the
3 claims set forth by Plaintiff, Defendants have, nonetheless, agreed to settle in the manner and
4 upon the terms set forth in this Agreement to resolve the claims as set forth in the Action.
5 Defendants have claimed, and continue to claim, that the Released Claims have no merit and do
6 not give rise to liability. This Agreement is a compromise of disputed claims. Nothing
7 contained in this Agreement and no documents referred to herein and no action taken to carry out
8 this Agreement may be construed or used as an admission by or against Defendants as to the
9 merits or lack thereof of the claims asserted. The monies being paid as part of the settlement are
10 genuinely disputed and the parties agree that the provisions of Labor Code section 206.5 are not
11 applicable to this settlement.

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

18 19 **TERMS OF AGREEMENT**

20 49. Release As To All Settlement Class Members. As of the Effective Date, in
21 exchange for the Gross Settlement Fund, Plaintiff and the Settlement Class Members release the
22 Released Parties from the Released Claims for the Class Period.

23 50. Plaintiff and the Settlement Class Members may hereafter discover facts in
24 addition to or different from those they now know or believe to be true with respect to the subject
25 matter of the Released Claims, but upon the Effective Date, shall be deemed to have, and by
26 operation of the final judgment shall have, fully, finally, and forever settled and released any and
27 all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or
28 non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity

1 now existing or coming into existence in the future, including, but not limited to, conduct that is
2 negligent, intentional, with or without malice, or a breach of any duty, law or rule, without
3 regard to the subsequent discovery or existence of such different or additional facts.

4 51. Tax Liability. The Parties make no representations as to the tax treatment or legal
5 effect of the payments called for hereunder, and Settlement Class Members are not relying on
6 any statement or representation by the Parties or by the Settlement Administrator in this regard.
7 Settlement Class Members understand and agree that withholdings, including, but not limited to
8 Settlement Class Members' FICA and FUTA contributions, will be taken from that portion of the
9 Net Settlement Amount designated as wages, and that they will be responsible for the payment of
10 any employee taxes and penalties assessed on the payments described herein and will hold the
11 Parties free and harmless from and against any claims, liabilities, costs and expenses, including
12 attorney's fees, resulting in any way from personal tax treatment of the payments made pursuant
13 to this Agreement, including the treatment of such payments as not subject to withholding or
14 deduction for payroll and employment taxes. Defendants' share of employer payroll taxes and
15 other required employer withholdings, including but not limited to Defendants' FICA and FUTA
16 contributions, shall be paid separate and apart from the Gross Settlement Fund.

17 52. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this
18 section, the "acknowledging party" and each Party to this Agreement other than the
19 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this
20 Agreement, and no written communication or disclosure between or among the Parties or their
21 attorneys and other advisers, is or was intended to be, nor shall any such communication or
22 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
23 United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the
24 acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and
25 tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not
26 entered into this Agreement based upon the recommendation of any other Party or any attorney
27 or advisor to any other Party, and (c) is not entitled to rely upon any communication or
28 disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be

1 imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has
2 imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
3 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
4 acknowledging party of the tax treatment or tax structure of any transaction, including any
5 transaction contemplated by this Agreement.

6 53. Settlement Administration. Within ten (10) calendar days after the Court grants
7 preliminary approval of this Agreement, Defendants shall provide the Settlement Administrator
8 with the Class Information for purposes of mailing Notice Packets to Settlement Class Members.

9 Notice By First Class U.S. Mail. Upon receipt of the Class Information, the Settlement
10 Administrator will perform a search based on the National Change of Address Database to update
11 and correct any known or identifiable address changes. Within fourteen (14) calendar days after
12 receiving the Class Information from Defendants as provided herein, the Settlement Administrator
13 shall mail copies of the Notice Packet to all Settlement Class Members via First Class U.S. Mail.
14 The Settlement Administrator shall exercise its best judgment to determine the current mailing
15 address for each Settlement Class Member. The address identified by the Settlement
16 Administrator as the current mailing address shall be presumed to be the best mailing address for
17 each Settlement Class Member. Any Notice Packets returned to the Settlement Administrator as
18 non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address
19 affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly
20 attempt to determine a correct address by use of skip-tracing, or other search using the name,
21 address and/or Social Security number of the Settlement Class Member involved, and shall then
22 perform a re-mailing, if another mailing address is identified by the Settlement Administrator.
23 Settlement Class Members who received a re-mailed Notice Packet shall have their Response
24 Deadline extended fourteen (14) days from the original Response Deadline. Unless otherwise
25 ordered by the Court within its order granting preliminary approval of this Settlement Agreement,
26 it will be conclusively presumed that, if an envelope so mailed has not been returned within 30
27 days of the mailing, the Settlement Class Member received the Class Notice. Compliance with
28 the procedures specified herein will constitute due and sufficient notice to Settlement Class

Members of this Settlement and will satisfy the requirement of due process. Nothing else will be required of, or done by, the Parties, Class Counsel, and/or Defense Counsel to provide notice of the proposed settlement.

54. Claims. This is a no-claims settlement. All Settlement Class Members who do not properly seek exclusion from the settlement (as outlined in Paragraph 57 of this document) will receive Individual Settlement Payments from the Net Settlement Amount. The calculation of Individual Settlement Payments shall be as described in Paragraph 61 below.

55. Disputes Regarding Individual Settlement Payments. Settlement Class Members will have the opportunity, should they disagree with Defendants' records regarding the dates of employment, to provide documentation and/or an explanation to show contrary employment dates. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. Counsel for the Parties will confer in good faith to resolve the dispute(s) and advise the Settlement Administrator if the Parties were able to resolve the dispute. Any dispute resolved by the Parties following conferring in good faith shall be binding upon the Settlement Class Member and the Parties. In the event that the Parties are unable to resolve the dispute, the Settlement Administrator shall determine the eligibility for and amount of any Individual Settlement Payment and provide its determination to the Parties in writing at least fifteen (15) days prior to any fairness hearing in this matter. Any Party shall have the right to raise the dispute to the trial court for resolution; however, the Party challenging the Settlement Administrator's determination shall have the burden of proof as to any error in the Settlement Administrator's determination and shall bear its own costs related thereto.

56. Disputes Regarding Administration of Settlement. Any disputes regarding or relating to the administration of the Settlement shall be resolved by the same process described in Paragraph 58.

57. Exclusions. The Notice Packet shall state that Settlement Class Members who wish to exclude themselves from the Settlement must submit a written request for exclusion by the Response Deadline. The written request for exclusion must state that the Settlement Class Member wishes to exclude himself or herself from the Settlement and (1) must contain the name,

1 address, and the last four digits of the Social Security number of the person requesting exclusion;
2 (2) must be signed by the Settlement Class Member; (3) must be postmarked by the Response
3 Deadline and returned to the Settlement Administrator at the specified address, and (4) must
4 clearly state the intention to be excluded from the Settlement. The request for exclusion will not
5 be valid if it is not timely submitted, if it is not signed by the Settlement Class Member, or if it
6 does not contain the name and address of the Settlement Class Member and articulate the intent
7 to be excluded. The date of the postmark on the return mailing envelope on the request for
8 exclusion shall be the exclusive means used to determine whether the request for exclusion was
9 timely submitted. Any Settlement Class Member who validly requests to be excluded from the
10 Settlement Class will not be entitled to any recovery under the Settlement and will not be bound
11 by the terms of the Settlement or have any right to object, appeal or comment thereon.

12 Settlement Class Members who fail to submit a valid request for exclusion on or before the
13 Response Deadline shall be bound by all terms of the Settlement and any final judgment entered
14 in this Action if the Settlement is approved by the Court. No later than fourteen (14) calendar
15 days after the Response Deadline, the Settlement Administrator shall provide counsel for the
16 Parties with the total number of Settlement Class Members who have submitted valid written
17 requests for exclusion. In addition to providing the list of individuals who have requested an
18 exclusion to Defendant, if the total number of Settlement Class Members who have submitted
19 valid written requests for exclusion is equal to or exceeds five percent (5%) of the Settlement
20 Class, the Settlement Administrator shall provide the Parties with a list of the Settlement Class
21 Members who have submitted valid written requests for exclusion. At no time shall any of the
22 Parties or their counsel seek to solicit or otherwise encourage members of the Settlement Class to
23 submit requests for exclusion from the Settlement.

24 58. Defendant's Option to Terminate. If fifteen percent (15%) or more of the
25 Class Members make a valid request to be excluded from the Class, Defendant will have the
26 right, but not the obligation, to void the Agreement. If Defendant exercise that right to void the
27 Agreement, then the Parties will have no further obligations under the Agreement, including
28 any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that

1 otherwise would have been owed under this Agreement, except that Defendant will pay the
2 Settlement Administrator's reasonable fees and expenses incurred as of the date that Defendant
3 exercise their right to void the Agreement. If the agreement is voided by Defendant, (1) the
4 Order for Preliminary Approval, Order for Final Approval Order, Judgment, and any order of
5 class certification, shall be vacated, and (2) the Parties shall be restored to their respective
6 positions in the Action prior to the Settlement. Defendant will notify the Court and Class
7 Counsel whether it is exercising its right to void the Agreement no later than five (5) calendar
8 days after the Settlement Administrator notifies the Parties of the final total number of valid
9 requests to be excluded.

10 59. Objections. The Notice Packet shall state that Settlement Class Members who
11 wish to object to the Settlement should submit a written statement of objection ("Notice of
12 Objection") to the Settlement Administrator by the Response Deadline. The Notice of Objection
13 must be signed by the Settlement Class Member and state: (1) the full name of the Settlement
14 Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four
15 digits of the Settlement Class Member's Social Security number; (4) the basis for the objection;
16 and (5) if the Settlement Class Member intends to appear at the Final Approval/Settlement
17 Fairness Hearing. Settlement Class Members who fail to make objections in the manner
18 specified above may be deemed to have waived any objections at the Court's discretion and may
19 be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.
20 Settlement Class Members who submit a timely Notice of Objection will have a right to appear
21 at the Final Approval/Settlement Fairness Hearing in order to have their objections heard by the
22 Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
23 Settlement Class Members to file or serve written objections to the Settlement or appeal from the
24 Order and Final Judgment. Class Counsel shall not represent any Settlement Class Members
25 with respect to any such objections. Any Settlement Class Member who submits a timely
26 request for exclusion and who also objects to this Settlement shall be deemed to have validly
27 excluded himself or herself from the Settlement and the objection shall be waived. Any written
28 Notice of Objection received by the Settlement Administrator shall be provided to counsel for

1 the Parties within two business days of the Settlement Administrator's receipt of the written
2 objection.

3 60. Funding and Allocation of Gross Settlement Fund. This is a non-reversionary,
4 non-claims-made Settlement in which Defendants are required to pay the entirety of the Gross
5 Settlement Fund as specified in this Agreement. No amount of the Gross Settlement Fund will
6 revert to Defendants. Defendants' share of payroll taxes and other required withholdings from
7 Individual Settlement Payments, including but not limited to FICA and FUTA contributions,
8 shall be paid separate and apart from the Gross Settlement Fund. Within ten (10) calendar days
9 following the order granting final approval of the Settlement, Defendants shall provide fifty
10 percent (50%) of the Gross Settlement Fund to the Settlement Administrator. Upon the latter of
11 April 15, 2022 or ten (10) calendar days following the order granting final approval of the
12 Settlement, Defendants shall provide the remaining fifty percent (50%) of the Gross Settlement
13 Fund and Defendants' share of payroll taxes to the Settlement Administrator.

14 61. Non-Monetary Relief. In further consideration for the Released Claims,
15 Defendant agrees to implement the following non-monetary measures:

16 A. No later than seven (7) days following final approval of this Settlement
17 MOFFA shall include on all wage statements issued to all non-exempt
18 employees within California (1) a separate line item indicating the total
19 hours worked by the employee during the pay period reported on the wage
20 statement, (2) a clear statement of all rates of pay earned by the employee
21 during the pay period reported on the wage statement; (3) the beginning date
22 and end date for the pay period reported on the wage statement.

23 B. No later than seven (7) days following final approval of this Settlement
24 MOFFA shall include on all wage statements issued to all non-exempt
25 employees within California the individual employee's accrued unused and
26 available paid sick leave.

27 62. Individual Settlement Payments. Individual Settlement Payments will be paid
28 from the Net Settlement Amount and PAGA Settlement Fund and shall be paid pursuant to the

1 settlement formula set forth herein. Individual Settlement Payments shall be mailed by First
 2 Class U.S. Mail to Settlement Class Members' last known mailing address within ten (10)
 3 calendar days after Defendants provide funds to the Settlement Administrator for disbursement
 4 under this Agreement. Any checks issued to Settlement Class Members shall remain valid and
 5 negotiable for one hundred and eighty (180) days from the date of their issuance. After that
 6 time, any such unclaimed checks will be distributed to *Cy Pres* Recipients as described in
 7 Paragraph 64 below. In such event, those Class Members will nevertheless remain bound by the
 8 Settlement. Individuals will be entitled to payment from the Net Settlement Amount based on
 9 their status as members of the Wages Settlement Class and 203 Settlement Class as defined in
 10 Paragraphs 33 and 37 above. All PAGA Settlement Class members shall not be permitted to
 11 exclude themselves from the PAGA Settlement Class and shall receive their share of the PAGA
 12 Settlement Fund as defined in Paragraph 24 above.

13 63. Calculation of Individual Settlement Payments. The calculation of Individual
 14 Settlement Payments will involve the following steps:

15 A. The Net Settlement Amount will be divided and allocated as follows:

16 i. Eighty percent (80%) of the NSA shall comprise the Wages
 17 Settlement Fund.

18 a. Twenty-five percent (25%) of the Wages Settlement Fund shall
 19 be designated as unpaid wages for which IRS Forms W-2 will
 20 issue.

21 b. Seventy-five percent (75%) of the Wages Settlement Fund
 22 shall be designated as penalties and interest;

23 ii. Twenty percent (20%) of the NSA shall be allocated as waiting
 24 time penalties and interest on said penalties. Such funds shall
 25 comprise the 203 Settlement Fund.

26 B. The Wages Settlement Fund shall be divided by the total number of

27 Compensable Workweeks during the Class Period in order to establish the

28 Wages Payment Ratio. The Wages Payment Ratio will then be multiplied by

the number of Compensable Weeks attributable to each member of the Settlement Class in order to determine the correct amount to be paid to each Settlement Class Member out of the Wages Settlement Fund.

C. The 203 Settlement Fund shall be divided by the number of Former Employees in order to determine the 203 Payment Ratio. Each Former Employee shall be entitled to receive the 203 Payment Amount.

D. The PAGA Employee Share shall be divided by the total number of Compensable Workweeks during the PAGA Period in order to establish the PAGA Payment Ratio. The PAGA Payment Ratio will then be multiplied by the number of Compensable Weeks attributable to each member of the PAGA Settlement Class in order to determine the correct amount to be paid to each PAGA Settlement Class Member out of the PAGA Employee Share.

64. Class Representative Service Award. Plaintiff Jesus Alvarado agreed to serve as the class representative without the expectation of a Class Representative Service Award. However, Plaintiff has now identified himself in the public record as an individual who is willing to make class action employment claims. Among the considerations for any Class Representative Service Award are (a) that the Agreement provides a substantial benefit to the Settlement Class Members; (b) Plaintiff is not seeking an extraordinary amount, but a number that is reasonable and represents the amount of time and the risks associated with her participation in this litigation; and (c) that Plaintiff is providing a general release of all claims. Plaintiff contends a Class Representative Service Award of five thousand dollars and zero cents (\$5,000.00) is reasonable and fair. The Class Representative Service Award shall be paid to Plaintiff from the Gross Settlement Fund no later than ten (10) calendar days after Defendant provides funds to the Settlement Administrator for disbursement under this Agreement. Defendants do not oppose Plaintiff's requested Class Representative Service Award.

65. Class Counsel Award. Class Counsel will submit an application for attorneys' fees not to exceed one-third (33.33%) of the Gross Settlement Fund (or (\$41,666.67) as anticipated prior to any potential increase as described in Paragraph 68), plus actual costs not to

1 exceed Fifteen Thousand Dollars (\$15,000). Any portion of the requested Class Counsel Award
2 that is not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be
3 distributed to Settlement Class Members as provided in this Agreement. The Class Counsel
4 Award shall be paid to Class Counsel from the Gross Settlement Fund no later than ten (10)
5 calendar days after Defendants provide funds to the Settlement Administrator for disbursement
6 under this Agreement. Class Counsel shall be solely and legally responsible to pay all applicable
7 taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue
8 an IRS Form 1099 – MISC to each Class Counsel for the payments made pursuant to this
9 paragraph. Defendants do not oppose this application. This Settlement is not contingent upon
10 the Court awarding Class Counsel any particular amount in attorneys’ fees and costs.

11 66. Cy Pres. Any checks that remain unclaimed for 180 days after issuance shall be
12 distributed pursuant to Code of Civil Procedure section 384, designated for nonprofit
13 organizations or foundations to support projects that will benefit the class or similarly situated
14 persons, or that promote the law consistent with the objectives and purposes of the underlying
15 cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal
16 services to the indigent (“*Cy Pres* Recipients”). The funds resulting from unclaimed checks shall
17 be distributed to Bet Tzedek.

18 67. Settlement Administration Costs. The Settlement Administrator shall be paid for
19 the costs of administration of the Settlement from the Gross Settlement Fund. The costs of
20 administration for the disbursement of the Gross Settlement Fund are currently estimated to be
21 three thousand five hundred dollars and zero cents (\$3,500.00). This figure represents the
22 Settlement Administrator’s estimate of its fees to administer this Settlement, based on
23 information it was provided about the issues in the case, the complexity of the Settlement, and
24 the approximate sizes of the putative Classes. To the extent actual Settlement Administrations
25 Costs are greater than \$3,500.00, such excess amount shall be taken out of the Net Settlement
26 Amount, unless it is determined by the Court that such increased costs were caused by
27 misconduct by Defendants, whether collectively or individually. No fewer than fourteen (14)
28 days prior to the Final Approval Hearing, the Settlement Administrator shall provide the Parties

1 with a statement detailing the costs of administration of this Settlement. The Settlement
2 Administrator shall be paid the Settlement Administration Costs no later than fourteen (14)
3 calendar days after Defendants provide funds to the Settlement Administrator for disbursement
4 under this Agreement. The Settlement Administrator, on Defendants' behalf, shall have the
5 authority and obligation to make payments, credits and disbursements, including payments and
6 credits in the manner set forth herein, to Settlement Class Members calculated in accordance
7 with the methodology set out in this Agreement and orders of the Court.

8 A. The Parties agree to cooperate in the Settlement administration process and to
9 make all reasonable efforts to control and minimize the costs and expenses
10 incurred in administration of the Settlement. The Parties each represent they
11 do not have any financial interest in the Settlement Administrator or otherwise
12 have a relationship with the Settlement Administrator that could create a
13 conflict of interest.

14 B. The Settlement Administrator shall be responsible for:

- 15 1. Calculating the amount each Settlement Class Member is eligible to
16 receive, processing and mailing payments to the Plaintiff, Class
17 Counsel, and Settlement Class Members;
- 18 2. Printing, translating and mailing the Notice Packets to the Settlement
19 Class Members as directed by the Court;
- 20 3. Receiving and reporting the requests for exclusion and objections
21 submitted by Settlement Class Members;
- 22 4. Deducting taxes from Individual Settlement Payments and distributing
23 tax forms;
- 24 5. Establishing and maintaining a toll free informational telephone
25 support line to assist Class Members who have questions regarding the
26 Notice;
- 27 6. Issuing to Plaintiff, Settlement Class Members, and Class Counsel, W-
28 2, 1099 forms or other tax forms as may be required by law for all

1 amounts paid pursuant to this Agreement;

- 2 7. Conducting additional address searches for mailed Notices that are
3 returned as undeliverable. These searches may be done through a class
4 action locator service. To the extent new and more current addresses
5 are found, the Settlement Administrator will also reprint and re-mail
6 Notices accordingly;
- 7 8. Calculating Settlement Class Members settlement share, fielding
8 inquiries from Class Members, and administration of any requests for
9 exclusion. This service will include settlement proceed calculations,
10 printing and issuance of checks, and preparation of W-2, 1099 Forms.
11 Basic accounting for and payment of employee tax withholdings will
12 also be included as part of this service;
- 13 9. Informing Defendants of their employer-side tax liability, if any;
- 14 10. Processing and mailing tax payments to the appropriate state and
15 federal taxing authorities;
- 16 11. Providing declaration(s) as necessary in support of preliminary and/or
17 final approval of this Settlement;
- 18 12. Other tasks as the Parties mutually agree or the Court orders the
19 Settlement Administrator to perform;
- 20 13. The Settlement Administrator shall keep the Parties timely apprised of
21 the performance of all Settlement Administrator responsibilities; and
- 22 14. No later than fourteen (14) calendar days after the Response Deadline,
23 the Settlement Administrator shall provide counsel for the Parties with
24 an accounting of the Gross Settlement Fund and report the amount of
25 all payments to be made to each Settlement Class Member by name and
26 Social Security number.

27 C. No person shall have any claim against Defendants, Defense Counsel,
28 Plaintiff, Settlement Class Members, Class Counsel or the Settlement

1 Administrator based on distributions and payments made in accordance with
2 this Agreement.

3 68. Increase of Gross Settlement Fund Upon Increase of Settlement Class Size. As of
4 June 25, 2021, Defendants' best estimate of the number of eligible Settlement Class Members is
5 65. If the actual number of eligible Settlement Class Members is fifteen percent (15%) greater
6 than this estimate (i.e. 75 Class Members or more), then the Gross Settlement Fund as defined in
7 Paragraph 17 above shall be increased on a proportional basis according to the total number of
8 Settlement Class Members.

9 69. Non-Interference. No Party may solicit, encourage, or otherwise aid in obtaining
10 exclusions from Settlement Class Members. In the event that any either Plaintiff or Defendants
11 are determined to have solicited, encouraged, or otherwise aided in obtaining exclusions from
12 Settlement Class Members, that party shall waive its right to terminate the settlement pursuant to
13 Paragraphs 58 and 68 above. Determination of whether a Party solicited, encouraged, or otherwise
14 aided in obtaining exclusions from Settlement Class Members shall be made by the Court.

15 70. Final Settlement Approval Hearing and Entry of Final Judgment. Upon
16 expiration of the Response Deadline, with the Court's permission, a Final Approval/Settlement
17 Fairness Hearing shall be conducted to determine final approval of the Settlement along with the
18 amount properly payable for (i) the Class Counsel Award, (ii) the Class Representative Service
19 Award, (iii) Individual Settlement Payments, and (iv) the Settlement Administration Costs.
20 Pursuant to California Rule of Court 3.769(h), after granting Final Approval, the Court shall
21 retain jurisdiction over the Parties to enforce the terms of the judgment.

22 71. Nullification of Settlement Agreement. In the event: (i) the Court does not grant
23 preliminary approval; (ii) the Court does not grant final approval; (iii) the Court does not enter a
24 final judgment as provided herein; or (iv) the Settlement does not become final for any other
25 reason, this Settlement Agreement shall be null and void and any order or judgment entered by
26 the Court in furtherance of this Settlement shall be treated as void from the beginning. In such a
27 case, the Parties and any funds to be awarded under this Settlement shall be returned to their
28 respective statuses as of the date and time immediately prior to the execution of this Agreement,

1 and the Parties shall proceed in all respects as if this Agreement had not been executed, except
2 that any costs already incurred by the Settlement Administrator shall be paid by Defendants,
3 which Defendants may claim as a recoverable cost in the event Defendants ultimately prevail in
4 this litigation, such issue to be decided by the Court, when ruling on what costs, if any, may be
5 recovered by Defendant. In the event an appeal is filed from the Court's final judgment, or any
6 other appellate review is sought, administration of the Settlement shall be stayed pending final
7 resolution of the appeal or other appellate review, but any fees incurred by the Settlement
8 Administrator prior to it being notified of the filing of an appeal from the Court's Final
9 Judgment, or any other appellate review, shall be paid to the Settlement Administrator within
10 thirty (30) days of said notification.

11 72. Tolling. In the event that the Court does not enter a final judgment as provided
12 herein, pursuant to Code of Civil Procedure § 583.330, the Parties stipulate that the matter shall
13 be deemed stayed as of June 25, 2021 for purposes of calculating time limits under Code of Civil
14 Procedure § 583.310 (i.e. "the 5-Year Rule"). The time to bring the matter to trial shall resume
15 running upon the Court's entry of an order denying final approval of this Settlement Agreement.

16 73. Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in
17 the Action, except such proceedings necessary to implement and complete the Settlement, in
18 abeyance pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

19 74. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Settlement
20 Class Members pursuant to this Agreement shall be deemed not to be pensionable earnings and
21 shall not have any effect on the eligibility for, or calculation of, any of the employee benefits
22 (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiff or Settlement Class Members.

23 75. No Admission By the Parties. Defendant denies any and all claims alleged in this
24 Action and denies all wrongdoing whatsoever. This Agreement is not a concession or admission,
25 and shall not be used against Defendant as an admission or indication with respect to any claim
26 of any fault, concession or omission by Defendant.

27 76. Exhibits and Headings. The terms of this Agreement include the terms set forth
28 in any attached Exhibits, which are incorporated by this reference as though fully set forth

herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

77. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

78. Entire Agreement. This Agreement and any attached Exhibits constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in the Agreement and its Exhibits.

79. 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 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. The persons signing this Agreement on behalf of Defendant represents and warrants that they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants that she is authorized to sign this Agreement and that she has not assigned any claim, or part of a claim, covered by this Settlement to a third party.

80. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

81. California Law Governs. All terms of this Agreement and the Exhibits hereto and any disputes arising hereunder shall be governed by and interpreted according to the laws of the State of California.

82. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies

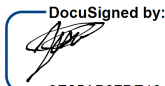
1 or originals of the signed counterparts.

2 83. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this
3 Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this
4 Settlement after extensive arms-length negotiations, taking into account all relevant factors,
5 present and potential.

6 84. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h),
7 the Parties agree that the Court shall retain jurisdiction with respect to the interpretation,
8 implementation and enforcement of the terms of this Agreement and all orders and judgments
9 entered in connection therewith, and the Parties and their counsel hereto submit to the
10 jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement
11 embodied in this Agreement and all orders and judgments entered in connection therewith.

12 85. Invalidity of Any Provision. Before declaring any provision of this Agreement
13 invalid, the Court shall first attempt to construe the provisions as valid to the fullest extent
14 possible consistent with applicable precedents so as to define all provisions of this Agreement as
15 valid and enforceable.

16 86. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
17 class certification for purposes of this Settlement only; provided, however, Plaintiff or Class
18 Counsel may appeal any reduction in the Class Counsel Award.

19  8/11/2021
20 _____
21 Jesus Alvarado, Plaintiff Date

22
23 MOFFA ELECTRICAL ENGINEERING, INC., Defendant

24 By:  8/11/2021
25 _____
26 Date

26 Its: _____
27  8/11/2021
28 _____
29 Nicole K. Moffa, Defendant Date

EXHIBIT A

LOS ANGELES COUNTY SUPERIOR COURT
Alvarado v. Moffa Electrical Engineering, Inc., et al.
Case No. 20STCV27850

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: ALL CURRENT AND FORMER HOURLY-PAID, NON-EXEMPT EMPLOYEES OF MOFFA ELECTRICAL ENGINEERING, INC. WITHIN CALIFORNIA AT ANY TIME DURING THE PERIOD OF JULY 24, 2016 THROUGH JULY 1, 2021

IF YOU DO NOTHING, YOU ARE EXPECTED TO RECEIVE
APPROXIMATELY \$[INDIVIDUAL'S AMOUNT]

NO PARTY WILL TAKE ANY ACTION AGAINST YOU FOR PARTICIPATING IN THIS SETTLEMENT. THE PARTIES FULLY SUPPORT YOUR PARTICIPATION IN THIS SETTLEMENT.

This Notice is Court Approved. This is not a solicitation from an attorney.

READ THIS NOTICE CAREFULLY – IT AFFECTS YOUR LEGAL RIGHTS

WHY DID I GET THIS NOTICE?

You received this Notice because we believe that you are a class member who may be entitled to money from this settlement. To receive money from this settlement, you do not need to do anything.

This Notice describes a proposed settlement of the class action lawsuit entitled *Alvarado v. Moffa Electrical Engineering, Inc., et al.* pending in Los Angeles County Superior Court, Case No. 20STCV27850 (hereinafter the “Lawsuit”). A complaint was filed on July 24, 2020 by Jesus Alvarado (hereinafter “Plaintiff” or the “Class Representative”). This Notice is being sent to you by order of the Los Angeles Superior Court, which preliminarily approved the settlement and conditionally certified the class for settlement purposes on [DATE]. This Notice informs you of the key terms of the proposed settlement, describes your rights in connection with the settlement, and explains what steps you may take to object to, or exclude yourself from the settlement. If you do not exclude yourself from the settlement and the Court finally approves this settlement, you will receive a settlement payment and be bound to the terms of the settlement and any final judgment.

WHAT IS THIS SETTLEMENT ABOUT?

The Lawsuit alleges unpaid wages, failure to pay minimum wages, unpaid overtime wages, , inaccurate wage statements, failure to provide legally compliant meal breaks and paid rest breaks, failure to pay reporting time pay, failure to reimburse for necessary expenses, unpaid wages at the time of termination, unfair competition, and penalties pursuant to the Private Attorney General Act of 2004 (“PAGA”).

Moffa Electrical Engineering, Inc. and Nicole K. Moffa (hereinafter, “Defendants”) deny each and all of Plaintiff’s claims, contentions, and allegations. The Court has not made any rulings regarding the merits of the case. Defendants contend they complied with all applicable laws, and are fully prepared to defend the lawsuit. Defendants agreed to this settlement as a compromise of disputed claims and to avoid ongoing litigation costs and disruption.

The Settlement is a compromise of disputed claims and does not admit fault, liability, or any wrongdoing of any kind on the part of Defendants.

WHY IS THERE A SETTLEMENT?

This Settlement is the result of substantial litigation, an extensive review of data, and participation in a full-day mediation with a well-respected mediator with substantial employment law experience. The negotiations process proceeded with an informed understanding of the law and the facts. The Court did not decide in favor of the Plaintiffs/Class or Defendants and Defendants have not admitted any wrongdoing. Instead, both sides agreed to a settlement after weighing the risks and expense of proceeding with litigation against the benefits obtained by all Parties, including compensation for the Settlement Class and the financial impact of a potential judgment for a substantial sum on the ability of class members to receive any money from this case. The Class Representative and his lawyers, in consultation with the mediator, believe the settlement is best for the Class.

WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. A class action allows the Court to resolve the claims of all the class members at the same time. A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file his or his own lawsuit on the same claims that were decided in the class action. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class.

WHO IS INCLUDED IN THE CLASS?

All current and former hourly-paid, non-exempt employees of Moffa Electrical Engineering, Inc. within California at any time from July 24, 2016 through July 1, 2021. (the “Class Period”).

WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

In exchange for the release of claims against it and final judgment in the Lawsuit, Defendants will pay One Hundred Twenty-Five Thousand Dollars and Zero Cents (\$125,000.00) (“Gross Settlement Fund” or “GSF”). After attorneys’ fees and costs, the class representative enhancement award, the PAGA Payment (described below) and settlement administration costs are deducted from the Gross Settlement Fund, the remaining Net Settlement Amount (“NSA”), subject to the Court’s approval, will be distributed to all Settlement Class Members during the Class Period as described below.

Class Counsel Award: Class Counsel will request up to one-third (1/3) of the Gross Settlement Fund (estimated \$41,666.67) as attorneys’ fees for litigation and resolution of the Lawsuit and actual expenses and actual costs, subject to a fee splitting agreement between Class Counsel. Any amount not awarded will revert to the NSA. The Class Counsel Award request is subject to the review and approval of the Court.

Class Representative Service Award: Class Counsel will request an enhancement award for Jesus Alvarado of no more than five thousand dollars and zero cents (\$5,000.00) to be paid out of the Gross Settlement Fund for his service to the class and general release of all of his individual claims. Any amount not awarded will revert to the NSA.

PAGA Payment: Two thousand five hundred dollars and zero cents (\$2,500.00) of the GSF will be designated for payment of penalties pursuant to PAGA and allocated as follows: (1) one thousand eight hundred seventy-five dollars and zero cents (\$1,875.00) shall be paid to the California Labor Workforce Development Agency as mandated by law, and (2) six hundred twenty-five dollars and zero cents (\$625.00) shall be disbursed to the PAGA Settlement Class on a proportional basis according to the number of Compensable Weeks attributable to each Settlement Class Member.

Settlement Administration: The cost of settlement administration will be paid from the GSF. The cost is estimated at three thousand five hundred dollars and zero cents (\$3,500.00) which pays for tasks such as mailing this Notice, calculating payments based on data provided by the parties, mailing checks and tax forms, and reporting to the parties and the Court.

HOW DOES THE SETTLEMENT AFFECT MY RIGHTS?

Unless you exclude yourself, you are a part of the Settlement, which means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants Moffa Electrical Engineering, Inc. and Nicole K. Moffa, each of their respective parent companies, subsidiaries, current and former management companies, shareholders, members, owners, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns (“Released Parties”) about the legal issues in this case.

It also means that all of the Court’s orders will apply to you and legally bind you. You will be releasing and forever discharging Released Parties from any and all Released Claims. The Released Claims are all claims against the Released Parties (as defined below), or any of them, for any type of relief and penalties, that accrued during the Class Period (defined as July 24, 2016 through July 1, 2021), and as a result of Class Members’ employment at Moffa Electrical Engineering, Inc., which relate to or arise under any state or local law or state administrative order that was or could have been pled based on the facts alleged in the operative complaint relating to claims of failure to pay all wages due each pay period, failure to pay minimum wages, failure to pay overtime wages, failure to furnish accurate wage statements, violations of California’s meal and rest period laws, wage theft/time shaving, attorneys’ fees or litigation costs, violations of California *Labor Code* sections 201, 202, 203, 204, 226, 226.7, including without limitation all related claims for restitution and other equitable relief arising under the Private Attorney General Act, *Business and Professions Code* §§ 17200 *et seq.*, and interest on unpaid wages. The release specifically excludes claims for workers’ compensation, personal injuries, unemployment insurance, state disability compensation, wrongful termination, discrimination, retaliation, and harassment arising under state or federal law. In consideration for the service award and as an inducement for Defendants to enter into this Stipulation, Class Representative’s Released Claims (and only the Class Representative) additionally include any and all claims including Unknown Claims against Defendants that accrued during the Class Period, but does not include claims for unemployment insurance, workers’ compensation benefits and state disability compensation.

HOW IS AN INDIVIDUAL SETTLEMENT PAYMENT DETERMINED?

Subject to Court approval, the Net Settlement Amount (“NSA”) will be divided into two funds, the Wage Settlement Fund and the Former Employee Settlement Fund. Ninety percent (90%) of the NSA shall be designated as the Wages Settlement Fund and ten percent (10%) of the NSA as the Former Employee Settlement Fund.

The Wages Settlement Fund and Penalty Settlement Fund shall be divided by the total number of Compensable Weeks worked by the Settlement Class during the Class Period to establish the base value of each workweek. The number of workweeks attributable to each Settlement Class Member shall be multiplied by the value of each workweek to determine the Settlement Class Member’s individual portion of the Wages Settlement Fund. The employees’ portion of the PAGA penalties shall be distributed in the same manner as the Wages and Penalty settlement funds.

The Former Employee Settlement Fund shall be divided by the total number of Former Employees in the Settlement Class and distributed evenly among those Former Employees.

Settlement Payments shall be allocated as follows: wages (20% of each Individual Settlement Payment), penalties and interest (80%). Settlement Class members shall be individually responsible for their share of taxes attributable to the receipt of the Settlement Payment. Settlement Class members shall be exclusively liable for any and all tax liability, if any. Settlement Class members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement

YOUR ESTIMATED SETTLEMENT PAYMENT IS: \$[INDIVIDUAL’S AMOUNT]. YOU HAVE [XX] COMPENSABLE WORKWEEKS WITHIN THE CLASS PERIOD.

WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT?

Subject to Court approval, if you are a member of the Settlement Class, you will automatically receive money from this settlement based on the formulas explained above. No further action is required. If you did not receive this notice at your current mailing address, or if your mailing address has changed, or will change, you will need to contact the settlement administrator at Simpluris, Inc. [ADMINISTRATOR ADDRESS] and provide your current mailing address, the name of the case and case number (*Alvarado. v. Moffa Electrical Engineering, Inc.* Case No. 20STCV27850), your full name, and the last four digits of your Social Security number (for identity verification purposes only).

Your estimated Settlement Payment is stated above. If you dispute the number of your Compensable Weeks attributable to this settlement, set forth above, upon which your settlement share is based, you must advise the Settlement Administrator and provide documents substantiating your dispute. Please do not send originals; documentation sent to the Settlement Administrator will not be returned or preserved.

WHAT IF I DON’T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to exclude yourself from the settlement. To do so, you must mail a signed, written statement requesting exclusion from the settlement postmarked no later than [OPT OUT DATE] to Simpluris, Inc. [ADMINISTRATOR ADDRESS].

To be valid, a written request for exclusion must state that you wish to be excluded, and (1) must contain the name, address, telephone number and the last four digits of the Social Security number of the

person requesting exclusion; (2) must be signed by you, the Settlement Class Member; (3) must include the name of the case and case number (*Alvarado. V. Moffa Electrical Engineering, Inc.* Case No. 20STCV27850); and (4) must be postmarked by [OPT OUT DATE] and returned to the Settlement Administrator at the specified address. Unless you timely and validly request to be excluded from the settlement, you will be legally bound by the judgment upon final approval of the settlement, including the Release described in this Notice.

If you timely and validly request to be excluded from the settlement, you will not receive any payment for the class remedies under the settlement, you will not be bound by the orders of the Court or the terms of the settlement, including the releases provided therein, and you retain the right to pursue a claim on an individual basis. Class Counsel will not represent your interests if you request to be excluded. You will not be entitled to opt out of the PAGA portion of the settlement and you will receive your portion of the PAGA Employee Share if approved by the Court.

WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member who has not asked to be excluded from the settlement may object to the settlement and appear at the hearing where the Court will make a final decision whether or not to approve the settlement (the “Final Approval Hearing”).

You may object to any of the terms of the Settlement before the Final Approval Hearing. If the Court rejects or overrules your objection, you will still be bound by the terms of the Settlement, but you will also receive a monetary award. The Court recommends a written objection to be served on the Settlement Administrator, Simpluris, Inc., by [OBJECTION DATE]; however, oral objections may be considered at the final approval hearing. The written objection should state: (1) your full name, address, telephone number, and name of the case and case number (*Alvarado. V. Moffa Electrical Engineering, Inc.* Case No. 20STCV27850); (2) a written statement of all grounds for the objection accompanied by any legal support for the objection; (3) a statement as to whether you intend to appear at the final approval hearing; (4) last four digits of your social security number; and (5) the signature of you or your counsel

You have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing. Objecting is not the same as excluding yourself from the settlement. If you file an objection, you still remain eligible to receive an individual settlement award, and will still be bound by the Court’s decision. You will not have an opportunity to opt-out after the Court’s decision.

WHAT AND WHEN IS THE FINAL APPROVAL HEARING?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. The purpose of the Final Approval Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; to consider the award of attorneys’ fees and expenses to Class Counsel; and to consider the request for a service award to the representative Plaintiff.

The Final Approval Hearing is scheduled to take place on [FINAL APPROVAL HEARING DATE], at XXX a.m. in Department 7 of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012.

The Final Approval Hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing unless you have timely filed an objection with the Court. However, you have the right to attend the Final Approval Hearing and be represented by your own counsel at your own expense. If you plan to attend the Final Approval Hearing, you may contact Class Counsel to confirm the date and time. If the Settlement is not approved by the Court or does not become final for some reason, the Lawsuit may continue.

At the hearing, the Court will be available to hear any objections and arguments concerning the Settlement. You may attend, but you do not have to attend. You may speak at the Final Approval Hearing only if (a) you have timely served and filed an Objection, and (b) followed the procedures set forth above for notifying the Court and the parties that you intend to speak at the Final Approval Hearing.

If you have requested exclusion from the Settlement, however, you may not speak at the Final Approval Hearing.

WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The settlement, if finally approved by the Court, will bind all Settlement Class Members who do not request to be excluded from the settlement, whether or not they cash their Individual Settlement Payments. Final approval of the settlement will bar any Settlement Class Member who does not request to be excluded from the settlement from hereafter initiating a lawsuit or proceeding regarding the Released Claims during the period between July 24, 2016 through July 1, 2021. The Settlement Agreement contains additional details about the scope of the release.

FURTHER INFORMATION

The foregoing is only a summary of the Lawsuit and settlement. If you have any questions about the settlement, you can contact Class Counsel at the addresses listed below, or inspect the Court's files and the Stipulation of Class Action and PAGA Settlement on file with the Court during regular court hours, or on the Court's website at www.lacourt.org.

CLASS COUNSEL:

Kenneth A. Goldman
Law Office of Kenneth A. Goldman, PC
15303 Ventura Blvd., Ste. 1650
Sherman Oaks, CA 91403
Tel.: (818) 289-7689

Sahag Majarian, II
Law Offices of Sahag Majarian, II
18250 Ventura Boulevard
Tarzana, California 91356
(818) 609-0807 (Spanish speakers available)

WHAT HAPPENS IF MY INFORMATION CHANGES?

If, after you receive this Notice, you change your postal address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information.

***PLEASE DO NOT TELEPHONE OR CONTACT THE COURT FOR INFORMATION
REGARDING THIS SETTLEMENT.***