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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

DANIEL TORRES, on behalf of himself and all
others similarly situated;

Plaintiff,

vs.

BALFOUR BEATTY CONSTRUCTION,
LLC, a Delaware Limited Liability Company,
BALFOUR BEATTY CONSTRUCTION
COMPANY, INC., a Nevada Corporation, and,
DOES 1 through 50 inclusive,

Defendants.

Case No.: 20STCV46969

[Assigned for all purposes to
Hon. Carolyn B. Kuhl, Department 12]

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT**

Complaint filed: December 9, 2020

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement (“Joint Stipulation,” “Settlement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Daniel Torres
4 (“Plaintiff” or “Class Representative”) and Defendants Balfour Beatty Construction, LLC and
5 Balfour Beatty Construction Company, Inc. (“Defendants”). Subject to the approval of the Court,
6 the above-referenced action is being settled under the terms and conditions set forth herein.

7 **I. RECITALS**

8 A. On December 9, 2020, Plaintiff commenced the above-captioned putative class action
9 against Defendants (“Action”). Through the Action, Plaintiff asserted, on behalf of all current and
10 former hourly or non-exempt employees who worked for Defendants in the State of California at any
11 time during the period of December 9, 2016 to final judgment, the following causes of action: 1)
12 failure to pay all wages owed including minimum and overtime wages, 2) failure to provide legally
13 compliant meal breaks, 3) failure to provide legally compliant rest periods, 4) failure to reimburse
14 all necessary business expenses, 5) failure to provide accurate wage statements, 6) failure to pay all
15 wages due at the end of employment, 7) Unfair Competition and 8) Private Attorney General Act
16 claims (“PAGA”), including, but not limited to, claims for injunctive relief; punitive damages;
17 liquidated damages, penalties of any nature; interest; fees; costs; and all other claims and allegations
18 made or which could have been made in the Action, from December 9, 2016 through Preliminary
19 Approval (“Released Claims”).

20 B. Defendants deny all material allegations set forth in the Action, defined below, and
21 has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further
22 litigation, Defendants desire to fully and finally settle the Action and Released Claims.

23 C. Class Counsel diligently investigated the proposed Class Members’ claims against
24 Defendants in the Action, including any and all applicable defenses and the applicable law, and
25 undertook review and analysis of a volume of documents and data obtained from Defendants and
26 other sources.

27 D. On September 6, 2021, the Parties participated in mediation before third-party
28 mediator Steve Serratore, a respected mediator of complex wage and hour actions. The settlement

1 discussions were conducted at arm's-length, and the Settlement is the result of an informed and
2 detailed analysis of Defendants' potential liability of total exposure in relation to the costs and
3 risks associated with continued litigation. Based on the documents produced, as well as Class
4 Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel
5 believes that the Settlement with Defendants for the consideration and on the terms set forth in this
6 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
7 Members in light of all known facts and circumstances, including the risk of significant delay and
8 uncertainty associated with litigation and various defenses asserted by Defendants.

9 E. This Settlement Agreement is made and entered into by and between Plaintiff,
10 individually, and on behalf of all others similarly situated, and Defendants, and is subject to the
11 terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that
12 this Settlement Agreement is entered into solely for the purpose of compromising significantly
13 disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendants.
14 If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the
15 Parties shall be returned to their original respective positions.

16 **II. DEFINITIONS**

17 To the extent terms or phrases used in this Joint Stipulation are not specifically defined below,
18 but are defined elsewhere in this Joint Stipulation, they are incorporated herein by reference.

19 A. "Action" or "Lawsuit" means the action entitled *Daniel Torres v. Balfour Beatty*
20 *Construction, LLC*, LASC Case No. 20STCV46969.

21 B. "Class" or "Class Member(s)" means all hourly-paid or non-exempt employees who
22 worked for Defendants in the State of California during the Class Period, or each of them.

23 C. "Class Counsel" means Jake D. Finkel and Joshua Park of The Law Office of Jake D.
24 Finkel.

25 D. "Defendants' Counsel" means Michael D. Thomas and Jade M. Brewster of Jackson
26 Lewis, P.C.

27 E. "Class Period" means the period of time from December 9, 2016, through Preliminary
28 Approval.

1 F. “Class Settlement” means the settlement and resolution of the Released Claims,
2 except for those arising under the Private Attorneys General Act, California Labor Code section
3 2698, *et seq.*

4 G. “Complaint” means the Class Action Complaint for Damages and Enforcement Under
5 the Private Attorneys General Act, Cal. Labor Code § 2698, Et Seq. filed in the Action on December
6 9, 2020.

7 H. “Court” means the Superior Court of the State of California for the County of Los
8 Angeles.

9 I. “Effective Date” means the date when all of the following events have occurred: (1)
10 the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendants’ Counsel;
11 (2) the Court has granted preliminary approval to the Settlement; (3) the Notice of Class Action
12 Settlement has been mailed to the Class, providing them with an opportunity to object to or opt out
13 of the Class Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval
14 Order and Judgment; (5) sixty-five (65) calendar days have passed since the Court has entered the
15 Final Approval Order and Judgment; and (6) in the event there are written objections filed prior to
16 the Final Approval Hearing that are not later withdrawn or denied, the later of the following events:
17 (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding in
18 connection with the Final Approval Order and Judgment has elapsed without any appeal, writ, or
19 other appellate proceeding having been filed; or (b) if any appeal, writ, or other appellate proceeding
20 in connection with the Final Approval Order and Judgment has been filed, five (5) business days
21 after any appeal, writ, or other appellate proceedings in connection with the Final Approval Order
22 and Judgment has been finally and conclusively dismissed with no right to pursue further remedies
23 or relief. “Final Approval” means the Court’s entry of the Final Approval Order and Judgment.

24 J. “Final Approval Hearing” means the final hearing held to ascertain the fairness,
25 reasonableness, and adequacy of the Joint Stipulation, at which time the Court will enter its order
26 granting final approval of the Joint Stipulation.

27 K. “Final Approval Order and Judgment” means the order certifying the Settlement
28 Class, granting final approval of the Settlement, and entering judgment based thereon, after the Court

1 has determined that the Settlement is fair, adequate, and reasonable to the Settlement Class, following
2 notice to the Class and a hearing on the fairness of the Settlement.

3 L. “Gross Settlement Amount” means the amount of two-hundred and seventy-five
4 thousand dollars (\$275,000.00), that Defendants will pay to resolve this Action. The Gross
5 Settlement Amount includes Individual Settlement Shares to Settlement Class Members; Incentive
6 Payment to Class Representative; Attorneys’ Fees and Litigation Costs to Class Counsel; PAGA
7 Settlement Amount (which includes Individual PAGA Shares to PAGA Group Members and LWDA
8 Payment to the LWDA); and Settlement Administration Costs to the Settlement Administrator. The
9 Gross Settlement Amount shall be the maximum amount that Defendants will be required to pay
10 under this Settlement. Notwithstanding the foregoing, Defendants will pay employer’s share of
11 taxes, contributions, and withholdings with respect to the wages portion of Individual Settlement
12 Shares separately and in addition to the Gross Settlement Amount.

13 M. “Individual PAGA Share” means the *pro-rata* share of 25% of the PAGA Settlement
14 Amount to each PAGA Group Member.

15 N. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount
16 to each Settlement Class Member.

17 O. “Individual Settlement Payment” means the net payment of each Settlement Class
18 Member’s Individual Settlement Share (after reduction for the employee’s share of taxes on the wage
19 portion) and PAGA Group Member's Individual PAGA Share (if applicable).

20 P. “LWDA” means The State of California Labor and Workforce Development Agency.

21 Q. “LWDA Payment” means 75% of the \$20,000 allocated to the PAGA Settlement
22 Amount (i.e., \$15,000) which, subject to Court approval, will be paid to the LWDA.

23 R. “Net Settlement Amount” means the Gross Settlement Amount less the Settlement
24 Administration Costs to the Settlement Administrator, Attorneys’ Fees and Litigation Costs to Class
25 Counsel, Incentive Payments to Class Representative, and PAGA Settlement Amount.

26 S. “Notice of Class Action Settlement” or “Class Notice” means the proposed notice to
27 be mailed to the Class, in substantially the same form as attached “**Exhibit A**,” as set forth in Section
28 IV.C of this Joint Stipulation and as mutually agreed upon by the Parties and approved by the Court.

1 T. "Objection" means a Class Member's written objection to the Class Settlement, per
2 the procedures set forth in Section IV.E of this Joint Stipulation. Class Members shall not be
3 permitted to object to the PAGA Settlement.

4 U. "Opt Out Request" means a written request by a Class Member to opt out of the Class
5 Settlement, and by which a Class Member excludes himself or herself from participating in, receiving
6 any payment from, and being bound by, the terms of the Class Settlement through the procedures set
7 forth in Section IV.D of this Joint Stipulation. Class Members shall not be permitted to opt out of the
8 PAGA Settlement.

9 V. "PAGA" means the California Private Attorneys General Act of 2004, which is
10 codified in California Labor Code §§ 2698, *et seq.*

11 W. "PAGA Group Members" means all Settlement Class Members who worked for
12 Defendants any time from June 3, 2019 through Preliminary Approval.

13 X. "PAGA Period" means the period from June 3, 2019, through Preliminary Approval.

14 Y. "PAGA Settlement" means the settlement and resolution of the Released Claims
15 arising under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.*

16 Z. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
17 allocated to the resolution of Class Members' claims arising under PAGA. The Parties have agreed
18 that the PAGA Settlement Amount is twenty-thousand dollars (\$20,000), subject to Court approval.
19 Of the PAGA Settlement Amount, 75% (i.e., \$15,000) will be paid to the LWDA, and the remaining
20 25% (i.e., \$5,000) will be distributed to PAGA Group Members.

21 AA. "Parties" means Plaintiff and Defendants, who are individually referred to as "Party."

22 BB. "Preliminary Approval" means the order by the Court preliminarily approving this
23 Joint Stipulation.

24 CC. "Preliminary Approval Hearing" means the hearing held on the motion for
25 preliminary approval of the Joint Stipulation.

26 DD. "Released Claims" means any and all claims for wages, damages, unpaid costs,
27 penalties, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief,
28 which Plaintiffs and Settlement Class Member had, or may claim to have, against any of the Released

Parties, arising during the Class Period, that were pled or that could have been pled based on the factual allegations set forth in the Operative Complaint, including all claims for failure to pay wages (including overtime wages and minimum wages under California Labor Code §§ 510, 1194, 1197, 1197.1 and 1198), failure to provide meal and/or rest periods and associated premium payments under California Labor Code §§ 226.7 512(a), failure to pay wages timely during employment and upon termination and associated claims for waiting time penalties under California Labor Code §§ 203 and 204, failure to provide compliant wage statements under California Labor Code § 226(a), failure to maintain requisite payroll records under California Labor Code § 1174(d), failure to reimburse business expenses under Labor Code §§ 2800 and 2802, claims under California Labor Code § 2699, *et seq.* (“PAGA”) claims based on the California Labor Code sections alleged or could have been alleged in the Complaint based on the factual allegations set forth in the Complaint, and unfair business practices in violation of California Business and Professions Code § 17200 *et seq.*

EE. “Released Parties” means Defendants and all of their officers, directors, shareholders, investors, employees, agents, insurers, parent companies, affiliates, subsidiaries, sureties, successors, and assigns.

FF. “Response Deadline” means the date that is forty-five (45) calendar days after the date the Class Notice is mailed to the Class Members, which will be the deadline for Class Members to submit Opt Out Requests, Workweeks Disputes, or Objections to the Class Settlement.

GG. “Settlement Class Members” means Class Members who do not timely and validly request exclusion from (i.e., opt out of) the Class Settlement.

HH. “Settlement Administrator” means Phoenix Settlement Administrators.

II. “Settlement Administration Costs” means all fees, costs, and expenses relating to the administration of the settlement in this Action, including without limitation, printing and mailing the Class Notice, calculating and determining Individual Settlement Shares, Individual PAGA Shares, and Individual Class Payments, regularly updating counsel for the Parties on the status of administration of the Settlement, and the accounting and maintenance of the Settlement Fund Account.

JJ. “Settlement Fund Account” means the bank account established under this Joint

1 Stipulation from which all monies payable under this Joint Stipulation will be paid, as set forth
2 herein.

3 KK. “Workweeks” means the number of weeks worked by a Class Member during the
4 Class Period according to Defendants’ payroll records, with any partial weeks rounded up to the
5 nearest full week. Workweeks will be calculated by the Settlement Administrator for each Class
6 Member, using each Class Member’s start and end dates of employment to determine the number of
7 days the Class Member was employed by Defendants within the Class Period, and dividing the total
8 days by seven (7), rounded to the nearest whole number. Defendants’ Workweek data will be
9 presumed to be correct, unless a particular Class Member proves otherwise to the Settlement
10 Administrator by credible, written evidence. All Workweek Disputes will be resolved and decided
11 by the Settlement Administrator and the Settlement Administrator’s decision on all Workweeks
12 Disputes will be final and non-appealable.

13 LL. “Workweeks Dispute(s)” means a written letter submitted by a Class Member to the
14 Settlement Administrator to dispute the number of Workweeks credited to the Class Member, per
15 the procedures set forth in Section IV.F of this Joint Stipulation.

16 **III. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

17 A. **Discovery, Investigation and Research.** The Parties engaged in extensive
18 investigation of the facts and law during the prosecution of the Action. The investigation included
19 the exchange of information through formal and informal discovery. Specifically, it included, among
20 other things, the exchange of a volume of documents including Defendants’ employment policies,
21 practices, and procedures and a sampling of Class Members’ time and pay records. The Parties also
22 prepared for and attended a full-day mediation with Steve Serratore a well-regarded mediator
23 experienced in mediating complex wage-and-hour matters. Counsel for the Parties also investigated
24 applicable law as applied to the facts in the case and potential defenses and conducted their own
25 evaluations of the potential recoveries based on the claims in the Action.

26 B. **Allegations of Plaintiff and Benefits of Settlement.**

27 1. This Joint Stipulation was reached after arm’s-length bargaining between the
28 Parties with the assistance of an experienced mediator, and after Class Counsel thoroughly reviewed

1 all available information. The information exchanged between the Parties allowed them to assess the
2 merits and to compromise the issues on a fair and equitable basis.

3 2. Plaintiff and Class Counsel contend the claims asserted in the Action have
4 merit. But, they acknowledge the expense and delay of continued litigation to prosecute the Action
5 through class certification, trial, and appeal. Plaintiff and Class Counsel have considered the
6 uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation,
7 including, and not limited to, considering the risks associated with class certification, trial, and/or
8 appeals. Plaintiff and Class Counsel determined this Joint Stipulation confers substantial benefit to
9 the Class and is in the best interests of Plaintiff and Class Members.

10 C. **Defendants' Denials of Wrongdoing and Benefits of Settlement.** Defendants
11 generally deny all claims alleged in the Action and further deny class treatment is appropriate for
12 any purpose other than this Settlement. Defendants contend it complied with California and other
13 applicable law. It is Defendants' position that, if litigation continued, class certification would be
14 denied on all claims. Defendants concluded further litigation of the Action would be protracted and
15 expensive. Defendants further determined it is desirable that the Action be fully and finally settled
16 in the manner and upon the terms and conditions in this Joint Stipulation.

17 **IV. ISSUES**

18 A. **Preliminary Approval.** Class Counsel will submit this Joint Stipulation to the Court
19 with a motion for preliminary approval of this Settlement. Defendants will not oppose the motion.

20 B. **Settlement Administrator.**

21 1. The third-party company known as Phoenix Settlement Administrators will
22 act as Settlement Administrator. The Settlement Administrator will be responsible for: (1) preparing,
23 translating, printing and mailing simultaneously the Class Notice in substantially the same form as
24 attached “**Exhibit A**,” in English and Spanish; (2) receiving and reviewing Opt Out Requests; (3)
25 calculating Workweeks and Individual Settlement Payments under the Settlement; (4) handling
26 inquiries from Class Members concerning the Class Notice, including attempting to resolve
27 Workweek Disputes; (5) providing weekly status reports to Defendants' Counsel and Class
28 Counsel regarding the number of mailings and number of Opt Out Requests; (6) distributing all

1 payments under the Settlement, as well as payments to taxing authorities as appropriate; (7)
2 providing due diligence declarations for submission to the Court, as needed; (8) printing and
3 providing Settlement Class Members and Plaintiffs with tax forms as required under this
4 Settlement Agreement and applicable law, and providing copies of same to Defendants; (9)
5 receiving and promptly forwarding to Class Counsel and Defendants' Counsel any Objections;
6 and (10) such other tasks as the Parties mutually agree or the Court orders the Settlement
7 Administrator to perform.

8 2. The Parties and their counsel each represent they do not have a financial
9 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
10 Administrator that creates or could create a conflict of interest. Settlement Administration Costs
11 are estimated not to exceed \$10,000 and are to be paid from the Gross Settlement Amount subject to
12 approval by the Court.

13 C. **Notice to Class Members.** Class Members will be provided notice of the Settlement
14 in the following manner:

15 1. Within twenty-one (21) calendar days of Preliminary Approval, Defendants
16 will provide the Settlement Administrator with the following information for each Class Member:
17 (1) full name; (2) last known mailing address and telephone number; (3) full Social Security number;
18 and (4) start and end dates of employment during the Class Period ("Class List").

19 2. Within twenty-one (21) calendar days after the Settlement Administrator's
20 receipt of the Class List, the Settlement Administrator will format and mail the Class Notice to the
21 Class Members via first-class U.S. mail.

22 3. Prior to mailing the Class Notice to the Class, the Settlement Administrator
23 will perform a search based on the National Change of Address Database to update and correct the
24 Class Members' addresses, contained in the Class List, for any known or identifiable address
25 changes. It will be conclusively presumed that if the Class Notice has not been returned within thirty
26 (30) calendar days of mailing, that the Class Member received the Class Notice and all of its contents.

27 4. The Settlement Administrator will perform a skip-trace search and re-mail all
28 Class Notices that are returned as undelivered on or before the Response Deadline, within seven (7)

1 calendar days of receiving the returned Class Notice. If a new address is obtained after a Class Notice
2 is returned as undeliverable, the Settlement Administrator shall promptly forward the original Class
3 Notice to the updated address via first-class U.S. mail, indicating the date of such re-mailing. A
4 returned Class Notice will be forwarded only once by the Settlement Administrator. Upon
5 completion of these steps by the Settlement Administrator, Defendants shall be deemed to have
6 satisfied its obligation to provide notice of the Settlement to Class Members. Such Class Members
7 shall be bound by all terms of the Joint Stipulation (including the release of Released Claims) and
8 the Court's order granting final approval of the Settlement and judgment based thereon, unless they
9 validly request exclusion from the Class Settlement.

10 5. Class Members shall have forty-five (45) calendar days from the date the
11 Class Notice is first mailed (*i.e.*, the Response Deadline) to submitting an Opt Out Request,
12 Workweeks Dispute, or Objection to the Class Settlement. Unless a Class Member validly opts out
13 of the Class Settlement, the Class Member will be deemed a Settlement Class Member and will be
14 bound by all terms of the Settlement Agreement (including the release of Released Claims) and the
15 Court's order granting final approval of the Settlement and judgment based thereon. Class Members
16 shall not be permitted to opt out of the PAGA Settlement.

17 D. **Procedure to Opt Out of Class Settlement.**

18 1. Class Members who wish to exclude themselves from the Class Settlement
19 must submit a timely and valid Opt Out Request (as directed by the Class Notice) to the Settlement
20 Administrator. The Opt Out Request must: (a) contain the full name, address, telephone number,
21 last four (4) digits of the Social Security Number, and signature of the Class Member requesting
22 exclusion; (b) contain a clear statement indicating that the Class Member wishes to exclude himself
23 or herself from the Class Settlement which references the Action by name and/or case number; and
24 (c) be mailed to the Settlement Administrator, postmarked no later than the Response Deadline. The
25 date of the postmark on the Opt Out Request to the Settlement Administrator shall be the exclusive
26 means used to determine whether a Class Member has timely submitted his or her Opt Out Request
27 to the Settlement Administrator. Any Class Member who properly opts out of the Class Settlement
28 using this procedure will not be a member of the Settlement Class, will be barred from participating

1 in this Class Settlement, will lack standing to object to the Class Settlement, and will receive no
2 benefit from the Class Settlement. Class Members shall not be permitted to opt out of the PAGA
3 Settlement.

4 2. Class Members who do not submit a timely and valid Opt Out Request (i.e.,
5 Settlement Class Members) shall be bound by all terms of the Settlement and the order granting final
6 approval of the Settlement and judgment based thereon. Any Class Member who submits a timely
7 and valid Opt Out Request will not be a Settlement Class Member, will not be entitled to recovery
8 under the Class Settlement, and will not be bound by the Class Settlement or the order granting final
9 approval of the Settlement and judgment based thereon; however, if the Class Member worked
10 during the PAGA Period, he or she will remain a PAGA Group Member, will receive an Individual
11 PAGA Payment, and will be bound by the PAGA Settlement. A Class Member who opts out of the
12 Class Settlement does not have the right to object, appeal, or comment on the Settlement.

13 3. The Settlement Administrator shall provide Defendants' Counsel and Class
14 Counsel with weekly updates about Class Members who submit Opt Out Requests.

15 E. **Procedure to Object to Class Settlement.**

16 1. Any Settlement Class Member who seeks to object to the Class Settlement
17 may do so by mailing a timely and valid Objection to the Settlement Administrator. The Objection
18 must: (a) contain the objecting Settlement Class Member's full name, address, telephone number,
19 last four digits of his or her Social Security number, and signature; (b) contain the words "Notice of
20 Objection" or "Formal Objection"; (c) contain the case name and number of the Action; (d) contain
21 a clear and concise statement, including factual and legal arguments, explaining his or her
22 objection(s) to the Class Settlement; (e) contain a statement indicating whether or not the Settlement
23 Class Member is represented by counsel and identifying any such legal counsel; (f) contain a
24 statement indicating whether the Settlement Class Member intends to appear at the Final Approval
25 Hearing to present his or her objection(s); (g) list any witnesses the objecting Settlement Class
26 Member may call to testify at the Final Approval Hearing; and (h) be mailed to the Settlement
27 Administrator, postmarked no later than the Response Deadline. The date of the postmark on the
28 Objection to the Settlement Administrator shall be the exclusive means used to determine whether a

1 Settlement Class Member has timely submitted his or her Objection to the Settlement Administrator.
2 Within three (3) business days of receiving any objection to the Class Settlement, the Settlement
3 Administrator shall provide copies of such Objections to Class Counsel and Defendants' Counsel.
4 The Settlement Administrator shall also attach copies of such Objections to its declaration that is
5 filed with the Court in advance of the Final Approval Hearing. Class Members shall not be permitted
6 to object to the PAGA Settlement.

7 2. Plaintiff and/or Defendants may file a response to any Objection(s) no later
8 than five (5) court days before the Final Approval Hearing.

9 F. **Workweeks Disputes.** A Class Member may dispute the accuracy of the Workweeks
10 credited to him or her by submitting a timely and valid Workweeks Dispute to the Settlement
11 Administrator in conformity with the instructions in the Class Notice and as set forth herein. Any
12 such Workweeks Dispute must: (a) contain the Class Member's full name, address, telephone
13 number, last four digits of his or her Social Security number, and signature; (b) contain the case name
14 and number of the Action; (c) contain a clear statement explaining that he or she disputes the number
15 of Workweeks credited to him or her and what he or she contends is the correct number of
16 Workweeks that should be credited to him or her; (d) include any documentation that he or she has
17 to support the dispute; and (e) be mailed to the Settlement Administrator, postmarked on or before
18 the Response Deadline. The Settlement Administrator shall provide copies of all Workweek Disputes
19 to Class Counsel and Defendants' Counsel within three (3) business days of receipt and shall
20 immediately attempt to resolve all such disputes with the assistance of Defendants' Counsel and
21 Class Counsel. In the event of a dispute, Defendants' records regarding the number of Workweeks
22 of the Class Member shall be presumed to be correct and the Class Member will bear the burden of
23 proof (*i.e.* a Class Member who fails to provide written proof will have his or her challenge denied).
24 The Settlement Administrator shall investigate the challenge, requesting information from
25 Defendants as necessary and make the final determination of whether any additional amount is owed.
26 All Workweek Disputes will be resolved and decided by the Settlement Administrator and the
27 Settlement Administrator's decision on all Workweeks Disputes will be final and non-appealable.

28 G. **Final Approval.**

1 1. At the Final Approval Hearing, Class Counsel will move the Court for an order
2 granting final approval of the Settlement and entry of judgment in accordance with the California Rule
3 of Court 3.769(h). Class Counsel will seek approval of the Settlement as being fair, reasonable, and
4 adequate to the Class Members. Class Counsel and Defendants' Counsel will submit to the Court such
5 pleading and/or evidence as required for the Court's determination. Class Counsel will also submit a
6 fee and cost application to be determined at the Final Approval Hearing.

7 2. The Final Approval Order and Judgment will, among other things: (a) find
8 that the dissemination of the Class Notice in the form and manner ordered by the Court was
9 accomplished as directed, met the requirements of due process, was the best notice practicable under
10 the circumstances, and constituted due and sufficient notice to all persons entitled thereto; (b) find
11 that the Class Representative and Class Counsel herein have fairly and adequately represented and
12 protected the interests of the Class at all times in the Action; (c) grant Final Approval to the
13 Settlement as fair, reasonable, adequate, in good faith, and in the best interests of the Class as a
14 whole, and order the Parties to carry out the provisions of this Settlement Agreement; (d) certify the
15 Settlement Class; (e) direct the Parties to implement the terms of the Settlement Agreement,
16 including, without limitation, the provisions regarding payments under the Settlement; (f) enter
17 judgment, adjudging that the Settlement Class Members are conclusively deemed to have released
18 the Released Parties from the Released Claims and that Class Members are conclusively deemed to
19 have released the Released Parties from the Released Claims arising under PAGA and that the *res*
20 *judicata* effect shall take place with respect to the release; (g) award Attorneys' Fees and Litigation
21 Costs to Class Counsel and an Incentive Payments to Class Representative in accordance with this
22 Joint Stipulation; and (h) reserving continuing jurisdiction as provided herein.

23 3. After entry of the Final Approval Order and Judgment, the Court shall have
24 continuing and exclusive jurisdiction over the Action for purposes of: (i) administration and
25 consummation of the terms of this Settlement Agreement; (ii) enforcing, constructing, and
26 interpreting this Settlement Agreement; (iii) addressing such post-judgment matters as may be
27 appropriate under Court rules or applicable law; and (iv) enforcing, constructing, and interpreting
28 the Final Approval Order and Judgment, including, but not limited to, the provisions therein

enjoining any further litigation of Released Claims, and over Plaintiff and all Settlement Class Members (and their attorneys and law firms) in connection therewith.

V. SETTLEMENT TERMS

A. **Gross Settlement Amount.** To settle the Action and the Released Claims under the terms of this Settlement Agreement, Defendants will pay the maximum amount of \$275,000 (*i.e.*, the Gross Settlement Amount) as set forth above. Defendants will not be required to contribute additional sums to fund the Settlement or otherwise resolve this Action and the Released Claims. Notwithstanding the terms set forth in Section V.C, Defendants will not be required to pay any amount exceeding the Gross Settlement Amount subject to Section VI.C. However, Defendants will pay employer's share of taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary and distribution will be on a non-claims-made (*i.e.*, on an auto-pay) basis. Defendants will pay the Gross Settlement Amount within thirty (30) calendar days of the Effective Date.

B. **Establishment of Settlement Fund.** Within fifteen (15) calendar days of the Effective Date, the Settlement Administrator will establish a Settlement Fund Account in a non-interest bearing transaction account at a FDIC-insured institution.

C. **Allocation of Settlement Proceeds.**

The Gross Settlement Amount is inclusive of and will be allocated as follows:

1. Class Counsel's attorneys' fees, as approved by the Court, in an amount not to exceed a third of the Gross Settlement Amount, or \$91,666.666, to The Law Office of Jake D. Finkel ("Attorneys' Fees"). The fees shall be detailed in Class Counsel's application for Attorneys' Fees and Litigation Costs in this Action, to be heard at the time of Final Approval;
2. Reimbursement of Class Counsel's litigation costs and expenses, as approved by the Court, in an amount not to exceed \$15,000 ("Litigation Costs"). The costs shall be detailed in Class Counsel's application for Attorneys' Fees and Litigation Costs in this Action, to be heard at the time of Final Approval;
3. Payment to Class Representative, as approved by the Court, for his services on behalf of the Class, in an amount not to exceed \$8,000 ("Incentive Payment");

1 4. In consideration of claims made under PAGA, Class Counsel will request that
2 the Court approve allocation of twenty-thousand dollars (\$20,000) of the Gross Settlement Amount
3 to these claims. Seventy-five percent (75%) of this payment, or \$15,000, will be paid to the California
4 Labor and Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%),
5 or \$5,000, will be paid to PAGA Group Members on *pro rata* basis. Defendants will not oppose this
6 request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount. The
7 Court’s adjustment, if any, of the amount allocated to the PAGA Settlement Amount, will not
8 invalidate this Agreement.

9 5. The Settlement Administration Costs, as approved by the Court, in an amount
10 estimated not to exceed \$10,000; and

11 6. The Net Settlement Amount, which is available for distribution to Settlement
12 Class Members, after deducting the amounts stated in subparagraph 1-5 of this Section.

13 D. **Distribution of Settlement Proceeds.**

14 1. The Settlement Administrator shall keep Defendants’ Counsel and Class
15 Counsel apprised of all distributions from the Settlement Fund Account. No person shall have any
16 claim against Defendants, Defendants’ Counsel, Plaintiffs, Class Counsel, or the Settlement
17 Administrator based on distributions and payments made in accordance with this Settlement
18 Agreement.

19 2. Within forty-five (45) calendar days after the Effective Date, the Settlement
20 Administrator shall pay all Individual Settlement Payments to Settlement Class Members and PAGA
21 Group Members, Attorneys’ Fees and Litigation Costs to Class Counsel, Incentive Payments to Class
22 Representatives, LWDA Payment to the LWDA, and Settlement Administration Costs to itself, all
23 as awarded by the Court at the Final Approval Hearing.

24 3. The Settlement Administrator will be responsible for calculating each
25 Settlement Class Member’s gross share of the Net Settlement Amount (i.e., Individual Settlement
26 Share), as follows: the Net Settlement Amount will be divided by the total number of Workweeks
27 worked by all of the Settlement Class Members during the Class Period to yield a “Class Weekly
28 Rate.” Each Settlement Class Member’s respective number of Workweeks during the Class Period

will be multiplied by the Class Weekly Rate, to yield his or her respective Individual Settlement Share. Each Individual Settlement Share shall be allocated thirty percent (30%) to wages (to be reported on IRS Form W-2), and seventy percent (70%) allocated to penalties and interest (to be reported on IRS Form 1099, if applicable). Each Individual Settlement Share will be subject to reduction for the employee's withholdings with respect to the wages portion of each Individual Settlement Share. Employer's share of taxes with respect to the wages portion of each Individual Settlement Share shall be remitted by Defendants to the Settlement Administrator separately and in addition to the Gross Settlement Amount.

4. The Settlement Administrator will be responsible for calculating each PAGA Group Member's *pro rata* share of the 25% of the PAGA Settlement Amount (i.e., Individual PAGA Share), as follows: the 25% of the PAGA Settlement Amount will be divided by the total number of Workweeks worked by all of the PAGA Group Members during the PAGA Period to yield a "PAGA Weekly Rate." Each PAGA Group Member's respective number of Workweeks during the PAGA Period will be multiplied by the PAGA Weekly Rate, to yield his or her respective Individual PAGA Share. Individual PAGA Payments will be allocated as one hundred percent (100%) penalties (to be reported on IRS Form 1099).

5. The Settlement Administrator's determination of eligibility for, and the amounts of, any settlement payments under this Settlement Agreement shall be conclusive, final, and binding on all parties, including all Class Members.

6. The net payment of each Settlement Class Member's Individual Settlement Share (after reduction for the employee's share of payroll taxes, contributions, and withholdings on the wage portion) and/or PAGA Group Member's Individual PAGA Share (if applicable) is referred to as his or her "Individual Settlement Payment." The Settlement Administrator shall distribute the Individual Settlement Payments by way of a single check that combines both payments (if applicable). Each Individual Settlement Payment check will remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance after which it will become stale ("Check Stale Date") and shall automatically be cancelled if not cashed or deposited by the Settlement Class Member or PAGA Group Member within that time. Any funds remaining in the

1 Settlement Fund Account as a result of Settlement Class Members' or PAGA Group Members'
2 failure to cash or deposit their checks by the Check Stale Date, shall be transmitted in the names and
3 respective amounts of the checks that are cancelled, to the Controller of the State of California to be
4 held pursuant to the Unclaimed Property Law, California Civil Code section 1500 *et seq.*, for the
5 benefit of those Settlement Class Members or PAGA Group Members whose checks were cancelled,
6 until such time that they claim their property. Defendants will not be required to pay any interest on
7 said amount. The Parties agree that this disposition results in no "unpaid residue" under California
8 Code of Civil Procedure section 384, as the entire Net Settlement Amount will be paid out to
9 Settlement Class Members and the entire 25% share of the PAGA Settlement Amount will be paid
10 out to PAGA Group Members, whether or not they cash or deposit their Individual Settlement
11 Payment checks.

12 7. The Settlement Administrator shall prepare any and all reports and/or declarations
13 regarding the distribution of funds under the Settlement, as ordered by the Court. The Settlement
14 Administrator shall also undertake amended and/or supplemental tax filings and reporting, required
15 under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any
16 settlement checks. To the extent that the Settlement Administrator is able to obtain or receive the
17 return or refund of the amounts that were transmitted to taxing authorities for the employer's and
18 employee's share of payroll taxes, contributions, and withholding associated with cancelled
19 Individual Settlement Payments, these amounts shall be transmitted to the Controller of the State of
20 California identified in this Paragraph, along with the funds associated with cancelled settlement
21 checks.

22 8. Notwithstanding the above, within fourteen (14) calendar days after the disbursement
23 of all funds as set forth in section V.D.2, the Settlement Administrator will serve on the Parties a
24 declaration providing a final report on the disbursements of all funds.

25 9. Plaintiff, PAGA Group Members, and Settlement Class Members will be solely
26 responsible for the reporting and payment of any state, local, and/or federal income tax, if any, on
27 the amounts paid to them under the Settlement. If it is determined that any taxes are due in connection
28 with any amount paid under the Settlement, Plaintiff, PAGA Group Members, and Settlement Class

Members will be solely responsible for all liability for taxes and any costs, fees, interest, assessments, penalties, damages, or other losses due to such a determination. No payments made under this Settlement Agreement will have an effect on any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

E. **Class Counsel's Attorney's Fees.** Defendants will not oppose Class Counsel's application for Attorneys' Fees of up to a third (\$91,666.66) of the Gross Settlement Amount. Defendants will not be obligated to pay any attorney's fees of Class Counsel, Plaintiff, or Class Members above this amount. Class Counsel's fee application must be submitted with supporting documentation and heard at the time of the Final Approval Hearing. No part of the Gross Settlement Amount will be used to pay any attorney's fees of Class Counsel, Plaintiff, or Class Members above this amount. Attorneys' Fees to Class Counsel are subject to court approval.

F. **Class Counsel's Litigation Costs.** Defendants will not oppose Class Counsel's application for Litigation Costs of up to \$15,000. Defendants will not be obligated to pay any costs of Class Counsel, Plaintiff, or Class Members above this amount. No part of the Gross Settlement Amount will be used to pay any costs of Class Counsel, Plaintiff, or Class Members above this amount. Class Counsel's request for Litigation Costs must be submitted with its Attorneys' Fee application and with supporting documentation, and heard at the time of the Final Approval Hearing. Litigation Costs to Class Counsel are subject to approval by the Court.

G. **Incentive Payment to Plaintiff.** In exchange for a general release of all claims, and in recognition of Plaintiff's effort and work in prosecuting the Action on behalf of the Class Members and negotiating the Settlement, Defendants will not oppose Plaintiff's application for an Incentive Payment to Plaintiff of up to \$8,000. This Incentive Payment is subject to approval by the Court. Defendants will not be obligated to pay any incentive payment above this amount. This Incentive Payment shall be considered miscellaneous income, and the Settlement Administrator will be responsible for issuing a Form 1099, and any other tax forms, to Plaintiff relating to Incentive Payment. No part of the Gross Settlement Amount will be used to pay any Incentive Payment above this amount.

H. **Settlement Administration Costs.** The Parties agree the Settlement Administration

Costs shall be deducted from the Gross Settlement Amount, subject to approval by the Court. Settlement Administration Costs are estimated not to exceed \$10,000.

I. Tax Treatment.

1. Plaintiff, PAGA Group Members, and Settlement Class Members shall be exclusively liable for any and all of their respective tax liability, if any. Plaintiff, PAGA Group Members, and Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement Agreement. Each PAGA Group Member and Settlement Class Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts they receive pursuant to this Settlement Agreement. Plaintiff, PAGA Group Members, and Settlement Class Members shall cooperate with Defendants and provide documentation as requested to demonstrate such payment should any taxing authority challenge the tax treatment of any such payment made under the Settlement.

2. Each Party to this Settlement Agreement acknowledges and agrees that:

a. No provision of this Settlement Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);

b. He, she, or it: (a) has relied exclusively upon his, her, or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement; (b) has not entered into this Settlement Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on him or her; and

c. No attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

1 3. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
2 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO
3 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
4 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
5 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
6 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
7 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE
8 CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED
9 STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED);
10 (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR
11 ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
12 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
13 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
14 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
15 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
16 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
17 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
18 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
19 ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
20 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
21 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
22 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
23 AGREEMENT.

24 J. **Release of Claims by Plaintiff and Settlement Class Members.**

25 1. Upon the Effective Date, Plaintiff, and all Class Members who do not submit
26 a timely and valid opt Out Request (i.e., Settlement Class Members) will be deemed to have fully
27 released and discharged the Released Parties of and from all of the Released Claims that do not arise
28 under PAGA and that all PAGA Group Members will be deemed to have fully released and

1 discharged the Released Parties of and from all of the Released Claims that do arise under PAGA.

2 2. Release by Plaintiff. Upon the Effective Date, in addition to the claims being
3 released by all Settlement Class Members, Plaintiff releases and forever discharges the Released
4 Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown,
5 asserted and not asserted, which Plaintiff has or may have against the Released Parties as of the date
6 of execution of this Settlement Agreement (“Plaintiff’s Released Claims”). Plaintiff’s Released
7 Claims include, but are not limited to, all of the Released Claims and any other claims arising under
8 the California Labor Code; any claim arising out of the California common law of contract; the Fair
9 Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; all claims for lost wages and
10 benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under
11 federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not
12 limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with
13 Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and
14 Housing Act, the California Labor Code, and the law of contract and tort. This release excludes the
15 release of claims not permitted by law.

16 Plaintiff’s Released Claims include all claims, whether known or unknown. Even if Plaintiff
17 discovers facts in addition to or different from those that they now know or believe to be true with respect to
18 the subject matter of Plaintiff’s Released Claims, those claims will remain released and forever barred. To
19 effect a full and complete general release as described above, Plaintiff expressly waives any and all rights and
20 benefits conferred upon Plaintiff by the provisions of Section 1542 of the California Civil Code or similar
21 provisions of applicable law which are as follows:

22 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
23 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
24 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF
25 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR
26 HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

27 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
28 release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement is

intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now know or believe to be true regarding the matters released or described in this Settlement, and even so Plaintiff agrees that the releases and agreements contained in this Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risks of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

VI. NULLIFICATION OF THE JOINT STIPULATION

A. This Joint Stipulation will be null and void, if: (a) the Court unconditionally refuses to grant approval of this Joint Stipulation; (b) the Court refuses to enter a judgment in the Action; (c) the judgment is reversed, modified, or declared or rendered void; and/or (d) if any material portion of this Joint Stipulation is invalidated, unless the Parties subsequently agree in writing that the remaining provisions of the Joint Stipulation are to remain in full force and effect.

B. If the number of Class Members who submit timely and valid Opt Out Requests reaches five percent (5%), Defendants may rescind this Joint Stipulation. If Defendants rescind, it will be responsible for the Settlement Administration Costs incurred up to the date of rescission. This option to rescind the Settlement must be exercised by way of written notice sent to Class Counsel by certified mail to Jake D. Finkel. At The Law Office of Jake D. Finkel, 3470 Wilshire Blvd., Suite 830 Los Angeles, CA 90010, within thirty (30) calendar days of receiving notice from the Settlement Administrator that it has received Opt Out Requests from ten percent (5%) or more of the Class Members.

1 C. If this Joint Stipulation is rendered null and void in conformity with this Section, then,
2 neither this Joint Stipulation, nor any of the related negotiations or proceedings, will be of any force
3 or effect, and all Parties will stand in the same position, without prejudice, as if the Joint Stipulation
4 had not been entered or filed.

5 **VII. DUTIES OF THE PARTIES**

6 A. **Mutual Cooperation.** The Parties agree to cooperate to accomplish and implement
7 the terms of this Joint Stipulation. Such cooperation will include, but not be limited to, execution of
8 such other documents and taking such other actions as may reasonably be necessary to fulfill the
9 terms of this Joint Stipulation. The Parties will use their reasonable best efforts, including all efforts
10 contemplated by this Joint Stipulation and any other efforts that may become necessary by court
11 order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as
12 practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of
13 Defendants and its counsel, will try to secure Preliminary Approval and Final Approval. Defendants
14 understand that in the course of applying for settlement approval, Plaintiff will be required to submit
15 sufficient evidence to support the fairness of the proposed settlement terms. Defendants
16 affirmatively agree to provide reasonable assistance and support of Plaintiff in providing such
17 evidence, including but not limited to confirming the number of Plaintiff Class members (former and
18 current), average pay rates, gross wages paid, and workweeks/pay periods by Class Members during
19 the Class Period.

20 B. **Duty to Support and Defend the Settlement.** The Parties agree the settlement is fair
21 and reasonable and will so represent to the Court. In addition, the mediator (Steve Serratore) may
22 execute a declaration supporting the settlement, and the Court may contact the mediator to discuss
23 the settlement and whether or not it is fair and reasonable. The Parties agree to abide by all terms of
24 the Joint Stipulation in good faith and to support the Joint Stipulation fully, and to use their best
25 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.
26 Plaintiffs agree to take all steps necessary to implement and effectuate the Settlement.

27 **VIII. MISCELLANEOUS PROVISIONS**

28 A. **No Comments to Press or Media.** If contacted by the media or members of the press,

1 the Parties, Defendants' Counsel, and Class Counsel will merely inform them that the case has been
2 resolved, and refer them to the public filings. The terms of the Settlement shall remain confidential
3 until the Parties submit the motion for preliminary approval to the Court. Notwithstanding the
4 foregoing, nothing in this Settlement Agreement shall restrict Class Counsel from disclosing and
5 including all publicly available information regarding this case and the settlement in any documents
6 filed with any court and/or judicial submissions (e.g., CV's, declarations regarding adequacy or
7 experience, etc.). Furthermore, Plaintiffs and Class Counsel will undertake any and all disclosures
8 required to be made to the LWDA in conformity with PAGA.

9 B. **No Admission of Liability.**

10 1. This Joint Stipulation is not an admission of liability by Defendants or any of
11 the Released Parties. Defendants and the Released Parties deny that they have engaged in any
12 unlawful activity, have failed to comply with the law in any respect, have any liability to anyone
13 under the claims asserted in the Action, or that, but for the Settlement, a class could be certified in
14 the Action. This Settlement Agreement is entered into solely for the purpose of compromising highly
15 disputed claims. Nothing in this Settlement Agreement is intended or will be construed as an
16 admission by Defendants or the Released Parties of liability or wrongdoing, or an admission by
17 Plaintiffs that any of their claims were non-meritorious or any defenses to his claims were
18 meritorious. This Settlement and the fact that Plaintiff and Defendants were willing to settle the
19 Action will have no bearing on, and will not be admissible in connection with, any litigation (other
20 than solely in connection with the Settlement).

21 2. The Parties have agreed to class certification for the sole purpose of
22 effectuating this Settlement. Should the Settlement not be approved by the Court, or should the
23 Judgment regarding the Settlement not become final, the fact that the Parties were willing to stipulate
24 to class certification as part of the Settlement will have no bearing on, and will not be admissible in
25 connection with, the issue of whether a class should be certified in a non-settlement context in the
26 Action, or any other action, and in any of those events Defendants and the Released Parties expressly
27 reserve the right to oppose class certification.

28 3. Whether or not the Settlement set forth in this Settlement Agreement becomes

1 final, neither the Settlement, this Settlement Agreement, any document, statement, proceeding, or
2 conduct related to the Settlement or the Settlement Agreement, nor any reports or accounting of those
3 matters, will be offered as evidence for any purpose adverse to Defendants or any of the Released
4 Parties, including, but not limited to, evidence of a presumption, concession, indication, or admission
5 by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage;
6 or (ii) disclosed, referred to, or offered in evidence against any of the Released Parties, in any further
7 proceeding in the Action, or any other civil, criminal, or administrative action or proceeding except
8 for purposes of effectuating the Settlement pursuant to this Settlement Agreement.

9 4. This Section and all other provisions of this Settlement Agreement
10 notwithstanding, any and all provisions of this Settlement Agreement, may be admitted in evidence
11 and otherwise used in any and all proceedings to enforce any or all terms of this Settlement
12 Agreement or in defense of any claims released or barred by this Settlement Agreement.

13 C. **No Impact on Benefit Plans.** It is expressly understood and agreed that the receipt
14 of any payment under the Settlement will not entitle Plaintiff, PAGA Group Members, or any
15 Settlement Class Member to additional compensation or benefits under any company bonus,
16 contract, incentive plan, contest, or other compensation or benefit plan or agreement in place during
17 the Class Period, nor will it entitle any Settlement Class Member to any increased retirement, 401(k)
18 or matching benefits, or deferred compensation benefits. It is also expressly understood and agreed
19 that any payments made to Plaintiff, PAGA Group Members, and Settlement Class Members under
20 the terms of this Settlement Agreement do not represent any modification of previously credited
21 length of service or other eligibility criteria under any bonus plan, incentive plan, contract, employee
22 pension benefit plan, or employee welfare plan sponsored by any of the Released Parties or to which
23 any of the Released Parties are required to make contributions. All payments under the Settlement
24 shall be deemed to be paid to Plaintiff, PAGA Group Members, and Settlement Class Members solely
25 in the year in which such payments actually are received by them. Further, any payments made under
26 this Settlement Agreement shall not be considered compensation in any year for purposes of
27 determining eligibility for, or benefit accrual within, any employee pension benefit plan or employee
28 welfare benefit plan sponsored by any of the Released Parties or to which any of the Released Parties

1 are required to make contributions. It is the Parties' intent that the Individual Settlement Payments
2 provided for in this Settlement Agreement are the sole payments to be made by Defendants to the
3 Settlement Class Members and PAGA Group Members, and that neither the Settlement Class
4 Members nor the PAGA Group Members are entitled to any new or additional compensation or
5 benefits as a result of having received the Individual Settlement Shares (notwithstanding any contrary
6 language or agreement in any benefit or compensation plan document that might have been in effect
7 during the Class Period) and/or Individual PAGA Shares.

8 D. **Construction.** The Parties agree this Joint Stipulation resulted from lengthy,
9 intensive, arm's-length negotiations, and it is not to be construed for or against any Party for any
10 reason.

11 E. **Choice of Law.** This Joint Stipulation is intended to and will be governed by the laws
12 of California, without regard to conflicts of law principles.

13 F. **Interim Stay of Proceedings.** The Parties agree to hold in abeyance all proceedings
14 in the Action (including with respect to California Code of Civil Procedure section 583.310),
15 except such proceedings necessary to implement and complete the Settlement Agreement, pending
16 the Final Approval Hearing to be conducted by the Court.

17 G. **Continuing Jurisdiction.** Even after entry of judgment in the Action based on the
18 Settlement, the Court will retain continuing jurisdiction to enforce the Settlement pursuant to
19 California Rules of Court 3.769 and California Code of Civil Procedure section 664.6.

20 H. **Captions and Interpretations.** Section headings, paragraph headings, titles, or
21 captions contained herein are inserted as a matter of convenience and for reference only, and in no
22 way define, limit, extend, or describe the scope of this Joint Stipulation or any provision thereof.

23 I. **Modification.** This Joint Stipulation may not be changed, altered, or modified, except
24 in writing signed by counsel for the Parties and approved by the Court.

25 J. **Integration Clause.** All prior or contemporaneous agreements, understandings,
26 representations, and statements, whether oral or written, between the Parties are merged herein. No
27 rights under this Joint Stipulation may be waived except in writing.

28 K. **No Inducements.** Plaintiff and Defendants acknowledge that they are entering into

1 this Settlement Agreement as a free and voluntary act without duress or undue pressure or influence
2 of any kind or nature whatsoever, and that neither Plaintiff nor Defendants have relied on any
3 promises, representations, or warranties regarding the subject matter hereof other than as set forth in
4 this Settlement Agreement.

5 L. **Successors and Assigns.** This Joint Stipulation will be binding upon and inure to the
6 benefit of the Parties and their respective heirs, trustees, executors, administrators, predecessors,
7 successors, affiliates, agents, and assigns.

8 M. **Class Counsel Signatories.** Because the Class Members are so numerous, the Parties
9 agree it is impossible or impractical to have each Class Member sign this Joint Stipulation. This Joint
10 Stipulation may be executed on behalf of the Class by Class Counsel and Plaintiff.

11 N. **Attorney Authorization.** Class Counsel and Defendants' Counsel warrant and
12 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate
13 action required or permitted to be taken by such Parties under this Settlement Agreement to effectuate
14 its terms, and to execute any other documents required to effectuate the terms of this Settlement
15 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
16 affect the implementation of the Settlement. In the event the Parties are unable to reach agreement
17 on the form or content of any document needed to implement this Settlement Agreement, or on any
18 supplemental provisions that may become necessary to effectuate the terms of this Settlement
19 Agreement, the Parties will seek the assistance of the Court, and in all cases all such documents,
20 supplemental provisions and assistance of the Court will be consistent with this Settlement
21 Agreement.

22 O. **Dates.** If any of the dates in the Joint Stipulation fall on a weekend, bank holiday, or
23 court holiday, the time to act shall be extended to the next business day.

24 P. **Execution in Counterparts.** This Joint Stipulation will become effective upon its
25 execution by all of the undersigned. The Parties may execute this Joint Stipulation in counterparts,
26 and execution of counterparts will have the same force and effect as had all Parties signed the same
27 instrument. Facsimile or pdf copies of any such signed counterparts may be used in lieu of the
28 original for any purpose. Pursuant to California Civil Code section 1633.7, the Parties agree they

1 may use DocuSign or similar electronic signature technology to expedite the execution of this
2 Settlement Agreement.

3
4
5 **IT IS SO AGREED.**

6 DATED: Mar 29, 2022, 2022

7 By: Daniel Torres
8 DANIEL TORRES
9 Plaintiff

10 BALFOUR BEATTY CONSTRUCTION, LLC

11
12 By: _____

13 DATED: _____, 2022

14 Name: Jared Wayne
15 Title: Vice President & Chief Legal Officer
16 _____

17 **APPROVED AS TO FORM:**

18 DATED: March 30, 2022

19 **THE LAW OFFICES OF JAKE D. FINKEL**

20 By: Joshua Park
21 Jake D. Finkel
22 Joshua Park
23 Attorneys for Plaintiff

24 DATED: _____, 2022

25 **JACKSON LEWIS, P.C.**

26 By: _____
27 Michael D. Thomas
28 Jade M. Brewster
Attorneys for Defendants

Balfour Beatty Construction, LLC and
Balfour Beatty Construction Company, Inc.

1 may use DocuSign or similar electronic signature technology to expedite the execution of this
2 Settlement Agreement.

3
4
5 **IT IS SO AGREED.**

6 DATED: _____, 2022

7 By: _____
8 DANIEL TORRES
9 Plaintiff

10 BALFOUR BEATTY CONSTRUCTION, LLC

11 By:  _____

12 DATED: 04/14/2022
13 _____, 2022

14 Name: Brian Cahill
15 Title: President – California Division



16 BALFOUR BEATTY CONSTRUCTION
17 COMPANY, INC.

18 By:  _____

19 DATED: April 12, 2022

20 Name: Eric Stenman
21 Title: President, U.S.

1 **APPROVED AS TO FORM:**

2 DATED: _____, 2022

THE LAW OFFICES OF JAKE D. FINKEL

4 By: _____
5 Jake D. Finkel
6 Joshua Park
7 Attorneys for Plaintiff

8 DATED: April 15, 2022

JACKSON LEWIS, P.C.

9 By: Michael D. Thomas
10 Michael D. Thomas
11 Jade M. Brewster
12 Attorneys for Defendants

Balfour Beatty Construction, LLC and
Balfour Beatty Construction Company, Inc.

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Torres v. Balfour Beatty Construction, LLC, et al.
Superior Court of California for the County of Los Angeles Case No. 20STCV46969

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Balfour Beatty's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the class settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Daniel Torres and Defendants Balfour Beatty Construction, LLC. and Balfour Beatty Construction Company, Inc. ("Defendants") (Plaintiff and Defendants are collectively referred to as the "Parties") in the case entitled *Torres v. Balfour Beatty Construction, LLC, et al.*, Los Angeles County Superior Court, Case No. 20STCV46969 ("Action" or "Lawsuit"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees employed by Defendants at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the time period from December 9, 2016 through [date of Preliminary Approval].

"Class Settlement" means the settlement and release of the Released Claims that do not arise under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*

"PAGA Group Members" means Plaintiff and all Class Members employed by Defendants at any time during the PAGA Period.

"PAGA Period" means the time period from June 3, 2019 through [date of Preliminary Approval].

"PAGA Settlement" means the settlement and release of the Released Claims that do arise under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*

II. BACKGROUND OF THE LAWSUIT

On December 9, 2020, Plaintiff commenced the above-captioned putative class action against Defendants. Through the Action, Plaintiff asserted, on behalf of all current and former hourly or non-exempt employees who worked for Defendants in the State of California at any time during the period of December 9, 2016 to final judgment, the following causes of action: 1) failure to pay all wages owed including minimum and overtime wages, 2) failure to provide legally compliant meal breaks, 3) failure to provide legally compliant rest periods, 4) failure to reimburse all necessary business expenses, 5) failure to provide accurate wage statements, 6) failure to pay all wages due at the end of employment, 7) Unfair Competition and 8) Private Attorney General Act claims ("PAGA"), including, but not limited to, claims for injunctive relief; punitive damages; liquidated damages, penalties of any nature; interest; fees; costs; and all other claims and allegations made or which could have been made in the Action, from December 9, 2016 through Preliminary Approval ("Released Claims"). Defendants deny all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action Settlement (“Settlement” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Daniel Torres as representatives of the Class (“Class Representatives”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jake D. Finkel, Esq.
Joshua Park, Esq.
LAW OFFICES OF JAKE D. FINKEL
3470 Wilshire Blvd., Suite 830
Los Angeles, CA 90010

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will only receive an Individual Settlement Payment of your Individual PAGA Share), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Group Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is two-hundred seventy-five thousand dollars (\$275,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys’ Fees in an amount not to exceed a third of the Gross Settlement Amount (i.e., \$91,666.666) and Litigation Costs in an amount not to exceed fifteen thousand dollars (\$15,000.00) to Class Counsel; (2) Incentive Payments in an amount not to exceed eight thousand dollars (\$8,000.00) to Plaintiff for his services in the Action; (3) PAGA Settlement Amount in the amount of twenty-thousand dollars (\$20,000.00) allocated toward penalties under PAGA, of which 75% (i.e., \$15,000.00), will be paid to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$5,000.00), will be distributed to PAGA Group Members; and (4) Settlement Administration Costs in an amount not to exceed ten thousand dollars (\$10,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as an hourly-paid or non-exempt employee during the Class Period (“Workweeks”), which will be calculated by the Settlement Administrator by calculating the number of days between each Class Member’s start and end dates of employment during the Class Period, divided by seven (7).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Class Weekly Rate,” and multiplied each Class Member’s individual Workweeks by the Class Weekly Rate to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Opt Out Request (“Settlement Class Members”) will be issued payment of their final Individual Settlement Share.

PAGA Group Members eligible to receive payment under the Settlement of their *pro rata* share of the PAGA Settlement Amount (“Individual PAGA Share”) based on the number of Workweeks each PAGA Group Member worked for Defendants during the PAGA Period (“PAGA Workweeks”).

The Settlement Administrator has divided the PAGA Settlement Amount, i.e., 25% of the PAGA Settlement Amount, by the total number of PAGA Workweeks of all PAGA Group Members to yield the “PAGA Weekly Rate,” and multiplied each PAGA Group Member’s individual PAGA Workweeks by the PAGA Weekly Rate to yield his or her Individual PAGA Share (which is listed in Section III.C below).

Each Individual Settlement Share will be allocated as thirty percent (30%) wages which will be reported on an IRS Form W2; and seventy percent (70%) penalties and interest which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, interest, and non-wage damages.

If the Court grants final approval of the Settlement, Individual Settlement Payments and Individual PAGA Payments will be mailed to Settlement Class Members and PAGA Group Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks Based on Defendants’ Records

According to Defendants’ records:

From December 9, 2016 to [date of Preliminary Approval], you worked for Defendants as an hourly-paid or non-exempt employee for [] Workweeks.

According to Defendants’ records, you have been credited with [] Workweeks.

From June 3, 2019 to [date of Preliminary Approval], you worked for Defendants as an hourly-paid or non-exempt employee for [] Workweeks.

According to Defendants’ records, you have been credited with [] PAGA Workweeks.

If you wish to dispute the accuracy of the Workweeks credited to you, you must submit a timely and valid written letter (“Workweek Dispute”) to the Settlement Administrator. The Workweek Dispute must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the case name and number of the Action (*Torres v. Balfour Beatty Construction, LLC, et al.*, Los Angeles County Superior Court, Case No. 20STCV46969); (c) contain a clear statement explaining that you dispute the number of Workweeks credited to you and what you contend is the correct number of Workweeks that should be credited to you; (d) include any documentation that you have to support the dispute; and (e) be mailed to the Settlement Administrator, postmarked **no later than [the Response Deadline]**, at the following address:

**Phoenix Settlement Administrators
[contact info]**

C. Your Estimated Individual Settlement Share and Individual PAGA Share

As explained above, your estimated Individual Settlement Share and Individual PAGA Share is based on the number of Workweeks and PAGA Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The Individual PAGA Share will not undertake any payroll tax deductions or withholdings in connection with the Individual PAGA Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Share may be higher or lower.

D. Settlement Checks

The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments and Individual PAGA Payments by way of check to the Settlement Class Members and PAGA Group Members in accordance with the Settlement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred eighty (180) calendar days from the date the checks are issued, and thereafter, shall be cancelled. All funds associated with such cancelled checks will be transmitted to the Controller of the State of California. Settlement Class Members whose Individual Settlement Payment checks and PAGA Group Members whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by this Settlement Agreement.

E. Release of Claims

Upon the Effective Date, Plaintiffs and all Class Members who do not submit a valid and timely Opt Out Request (i.e., Settlement Class Members) will be deemed to have fully released and discharged the Released Parties of and from all Released Claims that do not arise under PAGA and that all PAGA Group Members will be deemed to have fully released and discharged the Released Parties of and from all of the Released Claims that do arise under PAGA.

“Released Claims” means any and all claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief, which Plaintiffs and Settlement Class Member had, or may claim to have, against any of the Released Parties, arising during the Class Period, that were pled or that could have been pled based on the factual allegations set forth in the Operative Complaint, including all claims for failure to pay wages (including overtime wages and minimum wages under California Labor Code §§ 510, 1194, 1197, 1197.1 and 1198), failure to provide meal and/or rest periods and associated premium payments under California Labor Code §§ 226.7 512(a), failure to pay wages timely during employment and upon termination and associated claims for waiting time penalties under California Labor Code §§ 203 and 204, failure to provide compliant wage statements under California Labor Code § 226(a), failure to maintain requisite payroll records under California Labor Code § 1174(d), failure to reimburse business expenses under Labor Code §§ 2800 and 2802, claims under California Labor Code § 2699, *et seq.* (“PAGA”) claims based on the California Labor Code sections alleged or could have been alleged in the Operative Complaint based on the factual allegations set for the in the Operative Complaint, and unfair business practices in violation of California Business and Professions Code § 17200 *et seq.*

“Released Parties” means Defendants and all of its officers, directors, shareholders, investors, employees, agents, insurers, parent companies, affiliates, subsidiaries, successors, and assigns.

F. Attorneys' Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount not to exceed a third of the Gross Settlement Amount (i.e., attorneys' fees in an amount of up to \$91,666.66) (“Attorneys' Fees”) and reimbursement of litigation costs and expenses in an amount of up to fifteen thousand dollars (\$15,000.00) (“Litigation Costs”), subject to approval by the Court. All Attorneys' Fees

and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

G. Incentive Payment to Plaintiff

Plaintiff will seek the amount of eight thousand dollars (\$8,000.00) (“Incentive Payment”), in recognition of his services in connection with the Action). The Incentive Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to his Individual Settlement Payments and Individual PAGA Payments that he is entitled to under the Settlement, subject to approval by the Court.

H. Settlement Administration Costs to the Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed ten thousand dollars (\$10,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Opt Out Requests, Objection notices, and Workweek Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Shares, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement. PAGA Group Members may not opt out or exclude themselves from the PAGA Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Claims described in Section III.E above. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a timely and valid written request (“Opt Out Request”) to the Settlement Administrator.

The Opt Out Request must: (a) contain your full name, address, telephone number, last four (4) digits of your Social Security Number, and signature; (b) contain a clear statement indicating that you wish to exclude yourself from the Class Settlement which references the Action by name and/or case number (*Torres v. Balfour Beatty Construction, LLC, et al.*, Los Angeles County Superior Court, Case No. 20STCV46969); and (c) be mailed to the Settlement Administrator, postmarked **no later than [Response Deadline]**, at the address listed in Section III.B above.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Opt Out Request will not be entitled to receive any payment from the Class Settlement, will not be bound by the Class Settlement (and the release of claims described in Section III.E above), and will not have any right to object to, appeal, or comment on the Class Settlement. Any Class Members who do not submit a valid and timely Opt Out Request will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.E above, as well as any judgment that may be entered by the Court based thereon.

Notwithstanding the above, all PAGA Group Members will be bound to the PAGA Settlement and will receive their Individual PAGA Share irrespective of whether they submit a Opt Out Request.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted an Opt Out Request, by submitting a timely and valid written objection (“Objection”) to the Settlement Administrator.

The Objection must: (a) contain your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) contain the words “Notice of Objection” or “Formal Objection”; (c) contain the case name and number of the Action (*Torres v. Balfour Beatty Construction, LLC, et al.*, Los Angeles County Superior Court, Case No. 20STCV46969); (d) contain a clear and concise statement, including factual and legal arguments, explaining your objection(s) to the Class Settlement; (e) contain a statement indicating whether or not you are represented by counsel and identifying any such legal counsel; (f) contain a statement indicating whether you intend to appear at the Final Approval Hearing to present your objection(s); (g) list any witnesses you may call to testify at the Final Approval Hearing; and (h) be mailed to the Settlement Administrator, at the address listed in Section III.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 12 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 North Spring Street Los Angeles, California 900012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Litigation Costs to Class Counsel, Incentive Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members and PAGA Group Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by making an appointment in advance and visiting the civil clerk’s office, located at the Spring Street Courthouse, 312 North Spring Street Los Angeles, California 900012, during business hours, or by online by visiting the following website: <https://www.lacourt.org>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**