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and DARLENE HUNN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE – CIVIL COMPLEX CENTER

CECIL K. REYES, on behalf of himself and
all others similarly situated,

Plaintiffs,

v.

IMPERIAL SPRINKLER SUPPLY, INC., a
California corporation; DARLENE HUNN, an
individual; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: 30-2020-01167748-CU-OE-
CXC

[Assigned to the Hon. Peter Wilson, in
Dept. CX102]

CLASS ACTION

**JOINT STIPULATION RE: CLASS
ACTION AND REPRESENTATIVE
ACTION SETTLEMENT**

Action Filed: October 28, 2020
Trial Date: None Set

1 This Joint Stipulation re: Class Action and Representative Action Settlement
2 (“Settlement” or “Agreement” or “Settlement Agreement”) is made by and between plaintiff
3 CECIL K. REYES (“Mr. Reyes or Plaintiff”) individually and on behalf of the Settlement Class,
4 on the one hand; and defendants IMPERIAL SPRINKLER SUPPLY, INC, (“Imperial”) and
5 DARLENE HUNN (“Hunn”) (collectively, “Defendants”), on the other hand, in the lawsuit
6 entitled *Reyes v. Imperial Sprinkler Supply, Inc., et al.* filed in Orange County Superior Court,
7 Case No. 30-2020-01167748-CU-OE-CXC (the “Action”). Plaintiff and Defendants shall be, at
8 times, collectively referred to as the “Parties”. This Agreement is intended by the Parties to fully,
9 finally, and forever resolve, discharge and settle the claims as set forth herein, based upon and
10 subject to the terms and conditions of this Agreement.

11 **1. DEFINITIONS**

12 **A. “Action”** means *Reyes v. Imperial Sprinkler Supply, Inc., et al.* filed in Orange
13 County Superior Court, Case No. 30-2020-01167748-CU-OE-CXC.

14 **B. “Aggrieved Employees”** means Class Members working for Defendants during
15 the PAGA Period as non-exempt, hourly-paid employees.

16 **C. “Class Counsel”** means: David D. Bibiyan, Sara Ehsani- Nia, and Diego Aviles
17 of Bibiyan Law Group, P.C. The term “Class Counsel” shall be used synonymously with the term
18 “Plaintiff’s Counsel.”

19 **D. “Class Period”** means the period from October 28, 2016 through Preliminary
20 Approval Date or April 21, 2022, whichever is earlier.

21 **E. “Court”** means the Superior Court of the State of California for the County of
22 Orange.

23 **F. “Final Approval Date”** means the date the Court enters an order granting final
24 approval (“Final Approval”) and a judgment, if no objections are filed to this Settlement. If
25 objections are filed and overruled, and no appeal is taken of the final approval order, then the
26 date of final approval will be sixty-five (65) calendar days after the trial court enters the
27 judgment. If an appeal is taken from the Court’s overruling of objections to this Settlement, then
28 the date of final approval will be thirty (30) calendar days after the appeal is withdrawn or after

an appellate decision affirming the judgment, which then becomes final and non-appealable.

G. “Defendants” means, collectively, Imperial Sprinkler Supply, Inc., a California Corporation, and Darlene Hunn, an individual.

H. “Employer Taxes” means employer-funded taxes and contributions imposed on the wage portions of the Individual Settlement Payments under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions required of employers, such as for unemployment insurance.

I. “General Release” means the general release of claims by Plaintiff, which is in addition to Plaintiff’s limited release of claims as a Participating Class Member.

J. “Gross Settlement Amount” means a non-reversionary fund in the sum of One Million, Two Hundred Thousand Dollars and Zero Cents (\$1,200,000.00),¹ which shall be paid by Defendants, from which all payments for the Individual Settlement Payments to Participating Class Members, the Court-approved amounts for attorneys’ fees and reimbursement of litigation costs and expenses to Class Counsel, Settlement Administration Costs, the Service Award, the PAGA Payment, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes, which shall be paid by Defendants separate and apart from the Gross Settlement Amount.

K. “Individual PAGA Payment” means a payment made to an Aggrieved Employee of his or her share of the PAGA Payment, which may be in addition to his or her Individual Settlement Share if he or she is a Participating Class Member.

L. “Individual Settlement Payment” means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount.

M. “Individual Settlement Share” means the gross amount of the Net Settlement Amount that a Settlement Class Member is eligible to receive based on the number of Workweeks that he or she worked as a Settlement Class Member during the Class Period if he or she does not submit a timely and valid Request for Exclusion.

N. “LWDA Payment” means the payment to the State of California Labor and Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the total

¹ As the same may be increased in accordance with Paragraph 17, below.

1 amount allocated toward penalties under the PAGA all of which is to be paid from the Gross
2 Settlement Amount. The Parties have agreed that Fifty Thousand Dollars and Zero Cents
3 (\$50,000.00) shall be allocated toward PAGA penalties, of which Thirty-Seven Thousand Five
4 Hundred Dollars and Zero Cents (\$37,500.00) will be paid to the LWDA (*i.e.*, the LWDA
5 Payment) and Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) will be paid
6 to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked in the PAGA
7 Period.

8 **O. “Net Settlement Amount”** means the portion of the Gross Settlement Amount
9 that is available for distribution to the Participating Class Members after deductions for the Court-
10 approved amounts for attorneys’ fees and reimbursement of litigation costs and expenses to Class
11 Counsel, Settlement Administration Costs, the Service Award, the PAGA Payment, and the
12 LWDA Payment.

13 **P. “Operative Complaint” or “Complaint”** means the First Amended Complaint
14 that was filed with the Court on January 4, 2021.

15 **Q. “PAGA Payment** is the 25% portion of the Fifty Thousand Dollars and Zero
16 Cents (\$50,000.00) that is allocated toward PAGA penalties (Twelve Thousand, Five Hundred
17 Dollars and Zero Cents (\$12,500.00)) that will be paid to Aggrieved Employees on a *pro rata*
18 basis based on the Workweeks worked in the PAGA Period, which would be in addition to their
19 Individual Settlement Share so long as they are Participating Class Members.

20 **R. “PAGA Period”** means the period from July 27, 2019 through Preliminary
21 Approval Date or April 21, 2022, whichever is earlier.

22 **S. “Participating Class Members”** means all Settlement Class Members who do
23 not submit a timely and valid Request for Exclusion.

24 **T. “Participating Individual Settlement Share”** means the gross amount of the Net
25 Settlement Amount that a Participating Class Member is eligible to receive based on the number
26 of Workweeks that he or she worked as a Settlement Class Member during the Class Period once
27 all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she
28 may be entitled if he or she is also an Aggrieved Employee.

1 **U. “Plaintiff”, “Named Plaintiff” or “Class Representative”** shall refer to
2 Plaintiff Cecil K. Reyes.

3 **V. “Preliminary Approval Date”** means the date on which the Court enters an
4 Order granting preliminary approval of the Settlement.

5 **W. “Released Parties”** shall mean Defendants and each of their past, present, and
6 future respective subsidiaries, dba’s, affiliates, parents, insurers and reinsurers, and company-
7 sponsored employee benefit plans of any nature and their successors and predecessors in interest,
8 including all of their officers, directors, shareholders, employees, agents, principals, heirs,
9 representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries,
10 trustees, and agents.

11 **X. “Response Deadline”** means the deadline for Settlement Class Members to mail
12 any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement Administrator,
13 which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English
14 and Spanish by the Settlement Administrator, unless a Class Member’s notice is re-mailed. In
15 such an instance, the Response Deadline shall be fifteen (15) calendar days from the re-mailing,
16 or forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which
17 to postmark a Request for Exclusion, Workweek Dispute or Objection. The date of the postmark
18 shall be the exclusive means for determining whether a Request for Exclusion, Workweek
19 Dispute or Objection was submitted by the Response Deadline.

20 **Y. “Request for Exclusion”** means a written request to be excluded from the
21 Settlement Class pursuant to Section 9.C below.

22 **Z. “Service Award”** means monetary amounts to be paid to Plaintiff of up to Seven
23 Thousand, Five Hundred Dollars and Zero Cents (\$7,500.00), which subject to Court approval,
24 will be paid out of the Gross Settlement Amount.

25 **AA. “Settlement Administration Costs”** means all costs incurred by the Settlement
26 Administrator in administration of the Settlement, including, but not limited to, translating the
27 Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English
28 and Spanish, calculating Individual Settlement Shares, Individual Settlement Payments,

1 Individual PAGA Payments, and Participating Settlement Payments, as well as associated taxes
2 and withholdings, providing declarations, generating Individual Settlement Payment checks and
3 related tax reporting forms, doing administrative work related to unclaimed checks, transmitting
4 payment to Class Counsel for the Court-approved amounts for attorneys' fees and reimbursement
5 of litigation costs and expenses, to Plaintiff for his Service Award, and to the LWDA for the
6 LWDA Payment, providing weekly reports of opt-outs, objections and related information, and
7 any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to
8 the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed
9 \$9,850.00. If the actual amount of the Settlement Administration Costs is less than \$9,850.00,
10 the difference between \$9,850.00 and the actual Settlement Administration Costs shall be a part
11 of the Net Settlement Amount. If the Settlement Administration Costs exceed \$9,850.00 then
12 such excess will be paid solely from the Gross Settlement Amount and Defendants will not be
13 responsible for paying any additional funds in order to pay these additional costs.

14 **BB. "Settlement Administrator"** means the Third-Party Administrator mutually
15 agreed upon by the Parties that will be responsible for the administration of the Settlement
16 including, without limitation, translating the Class Notice in Spanish, the distribution of the
17 Individual Settlement Payments to be made by Defendants from the Gross Settlement Amount
18 and related matters under this Agreement.

19 **CC. "Settlement Class" or "Settlement Class Members"** means all current and
20 former non-exempt, hourly-paid employees who worked in California for Defendants at any time
21 during the Class Period.

22 **DD. "Workweeks"** means the number of workweeks that a Settlement Class Member
23 was employed by Defendants in a non-exempt, hourly position during the Class Period, based on
24 hire dates, re-hire dates, and termination dates.

25 **2. BACKGROUND**

26 **A.** On July 27, 2020, Plaintiff filed with the LWDA and served on Defendants a
27 notice under Labor Code section 2699.3 stating he intended to serve as a proxy of the LWDA to
28 recover civil penalties for Aggrieved Employees for various Labor Code violations. ("PAGA

1 Notice”). He filed and served an amended notice on October 27, 2020, clarifying and expanding
2 on the Labor Code violations in connection with the sought civil penalties for Aggrieved
3 Employees (“Amended PAGA Notice”).

4 **B.** On October 28, 2020 Plaintiff filed a putative wage-and-hour class action alleging
5 that, during the Class Period, Defendants, as it pertains to Class Members: failed to pay overtime
6 and minimum wages; failed to provide meal and rest periods, or compensation in lieu thereof;
7 failed to issue compliant and accurate itemized wage statements; failed to timely pay all wages
8 due and owing at the time of termination or resignation; failed to reimburse work expenses; and
9 engaged in unfair competition.

10 **C.** On January 4, 2021, after sixty-five (65) days had passed without any Action by
11 the LWDA, Plaintiff filed a First Amended Complaint adding a cause of action seeking PAGA
12 civil penalties under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1 and 2699.

13 **D.** Shortly thereafter, the Parties agreed to exchange informal discovery and attend
14 an early mediation, in which Plaintiff was provided with, among other things: (1) hire dates,
15 separation dates (as applicable), and final rates of pay for all 569 Class Members; (2) a 25%
16 sampling of time and payroll records, amounting to 143 of 569 Class Members; (3) a 25%
17 sampling of contact information, amounting to 143 of 569 Class Members; (4) an Employee
18 Handbook dated November 2015 including all pertinent written policies in place during the Class
19 Period; (5) a Rest Break Policy, (6) a purported arbitration agreement; and (7) a purported
20 confidentiality agreement.

21 **E.** On April 23, 2021, the Parties attended mediation with Nikki Tolt, Esquire, a well-
22 regarded mediator experiencing in mediating complex labor and employment matters, to see if
23 the matter could be resolved. The Parties were unable to reach a resolution.

24 **F.** Thereafter, Defendants filed a Motion to Compel Arbitration, which was fully
25 briefed. Before the Hearing on the Motion to Compel Arbitration, the Parties stipulated to attend
26 mediation again. To that end, on December 20, 2021, the Parties participated in a full-day
27 mediation before Marc Feder, Esq., a well-regarded mediator experienced in mediating complex
28 labor and employment matters. With the aid of the mediator’s evaluation, the Parties reached the

1 Settlement to resolve the Action.

2 **G.** Class Counsel has conducted significant investigation of the law and facts relating
3 to the claims asserted in the Action, PAGA Notice, and the Amended PAGA Notice, and have
4 concluded that that the Settlement set forth herein is fair, reasonable, adequate, and in the best
5 interests of the Settlement Class, taking into account the sharply contested issues involved, the
6 expense and time necessary to litigate the Action through trial and any appeals, the risks and
7 costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of
8 complex litigation, the information learned through informal discovery regarding Plaintiff's
9 allegations, and the substantial benefits to be received by the Settlement Class Members.

10 **H.** Defendants have concluded that, because of the substantial expense of defending
11 against the Action, the length of time necessary to resolve the issues presented herein, the
12 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
13 interest to accept the terms of this Agreement. Defendants deny each of the allegations and
14 claims asserted against it in the Action, the PAGA Notice, and Amended PAGA Notice.
15 However, Defendants nevertheless desire to settle the Action for the purpose of avoiding the
16 burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the
17 controversies engendered by the Action.

18 **I.** This Agreement is intended to and does effectuate the full, final, and complete
19 resolution of all Class Released Claims of Plaintiff and Participating Class Members, and all
20 PAGA Released Claims of Plaintiff and, to the extent permitted by law, of the State of California
21 and Aggrieved Employees.

22 **3. JURISDICTION**

23 The Court has jurisdiction over the Parties and the subject matter of the Action. The
24 Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the
25 applicable statutes. After the Court has granted Final Approval of the Settlement and entered
26 judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment
27 pursuant to California Rule of Court, rule 3.769, subdivision (h).

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1 **4. STIPULATION OF CLASS CERTIFICATION**

2 The Parties stipulate to the certification of the Settlement Class under this Agreement for
3 purposes of settlement only.

4 **5. MOTION FOR PRELIMINARY APPROVAL**

5 Plaintiff will move for an order granting preliminary approval of the Settlement,
6 approving and directing the mailing of the proposed Notice of Class Action Settlement (“Class
7 Notice”) attached hereto as **Exhibit “A”**, conditionally certifying the Settlement Class for
8 settlement purposes only, and approving the deadlines proposed by the Parties for the submission
9 of Requests for Exclusion, Workweek Disputes, and Objections, the papers in support of Final
10 Approval of the Settlement, and any responses to Objections or opposition papers to the Motion
11 for Final Approval.

12 **6. STATEMENT OF NO ADMISSION**

13 Defendants deny any wrongdoing of any sort and further deny any liability to Plaintiff
14 and the Settlement Class with respect to any claims or allegations asserted in the Action, the
15 PAGA Notice and the Amended PAGA Notice. This Agreement shall not be deemed an
16 admission by Defendants of any claims or allegations asserted in the Action, the PAGA Notice
17 or the Amended PAGA Notice. Except as set forth elsewhere herein, in the event that this
18 Agreement is not approved by the Court, or any appellate court, is terminated, or otherwise fails
19 to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way
20 any claims, rights or remedies, or defenses in the Action, the PAGA Notice, or Amended PAGA
21 Notice, and Defendants will not be deemed to have waived, limited, or affected in any way any
22 of its objections or defenses in the Action, the PAGA Notice and Amended PAGA Notice. The
23 Parties shall be restored to their respective positions in the Action prior to the entry of this
24 Settlement, including but not limited to, the rescheduling the hearing on Defendants’ Motion to
25 Compel Arbitration.

26 **7. RELEASE OF CLAIMS**

27 **A. Release by All Participating Class Members.**

28 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry

of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiff and all Participating Class Members release all claims against the Released Parties asserted in the Operative Complaint filed in the Action, or any and all claims that may be asserted against the Released Parties based on the factual allegations in the Operative Complaint, or any and all claims that may be asserted against the Released Parties based on the factual allegations in the Action, as follows: For the duration of the Class Period, the release includes, for Participating Class Members, including Plaintiff: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal and rest periods and associated premium pay; (d) all claims for the failure to timely pay wages upon termination or resignation; (e) all claims for non-compliant wage statements; (f) all claims for failure to indemnify work expenses; and (g) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the Complaint (the "Class Released Claims"). For Aggrieved Employees, including Plaintiff, (and, to the extent permitted by law, the State of California), the release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice, the Amended PAGA Notice, and alleged in the Operative Complaint, for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1197.1, and 2699 in connection with violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1194, 1194.2, 1197, and 2802 (the "PAGA Released Claims"). The release expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Class Released Claims of Participating Class Members arising during the Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period. The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims".

B. General Release.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry

1 of Judgment, and payment by Defendants to the Settlement Administrator selected of the full
2 Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, in
3 addition to the Released Claims, Plaintiff makes the additional following General Release:
4 Plaintiff releases the Released Parties from of all claims, demands, rights, liabilities and causes
5 of action of every nature and description whatsoever, known or unknown, asserted or that might
6 have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule,
7 law or regulation arising out of, relating to, or in connection with any act or omission of the
8 Released Parties through the date of full execution of this Agreement in connection with
9 Plaintiff's employment or the termination thereof, except for any and all claims in connection
10 with Plaintiff's workers' compensation matter against Defendants and/or any other claims that
11 may not be released as a matter of law through this Agreement. To the extent of the General
12 Release provided herein, Plaintiff stipulates and agrees that, upon entry of an Order granting
13 Final Approval of the Settlement, entry of Judgment, and payment by Defendants to the
14 Settlement Administrator selected of the full Gross Settlement Amount and Employers' Taxes
15 necessary to effectuate the Settlement, he shall have expressly waived and relinquished, to the
16 fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the
17 California Civil Code, or any other similar provision under federal or state law, which provides:

18 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
19 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT
20 TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
21 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM
22 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR
23 HER SETTLEMENT WITH THE DEBTOR OR RELEASED
24 PARTY.

25 **8. SETTLEMENT ADMINISTRATOR**

26 **A.** Plaintiff and Defendants, through their respective counsel, have selected Phoenix
27 Settlement Administrators to administer the Settlement, which includes but is not limited to
28 translating the Class Notice to Spanish, distributing and responding to inquiries about the Class
Notice and calculating all amounts to be paid from the Gross Settlement Amount. Charges and
expenses of the Settlement Administrator, currently estimated to be \$9,850.00 will be paid from

1 the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is
2 less than \$9,850.00, the difference between \$9,850.00 and the actual Settlement Administration
3 Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed
4 \$9,850.00, then such excess will be paid solely from the Gross Settlement Amount and
5 Defendants will not be responsible for paying any additional funds in order to pay these
6 additional costs.

7 **9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION**
8 **PROCESS**

9 **A. Notice to the Settlement Class Members**

10 (1) Within thirty (30) calendar days after the Preliminary Approval Date,
11 Defendants' Counsel shall provide the Settlement Administrator with information with respect
12 to each Settlement Class Member, including his or her: (1) name; (2) last known address(es)
13 currently in Defendants' possession, custody, or control; (3) last known telephone number(s)
14 currently in Defendants' possession, custody, or control; (4) last known Social Security
15 Number(s) in Defendants' possession, custody, or control; and (5) the dates of employment (*i.e.*,
16 hire dates, and, if applicable, re-hire date(s) and/or separation date(s)) for each Settlement Class
17 Member ("Class List"), which shall be made available to Class Counsel upon request. The
18 Settlement Administrator shall perform an address search using the United States Postal Service
19 National Change of Address ("NCOA") database and update the addresses contained on the Class
20 List with the newly-found addresses, if any. Within fourteen (14) calendar days of receiving the
21 Class List from Defendants, the Settlement Administrator shall mail the Class Notice in English
22 and Spanish to the Settlement Class Members via first-class regular U.S. Mail using the most
23 current mailing address information available. The Settlement Administrator shall maintain the
24 Class List and digital copies of all the Settlement Administrator's records evidencing the giving
25 of notice to any Settlement Class Member, for at least four (4) years from the Final Approval
26 Date.

27 (2) The Class Notice will set forth:
28

- 1 (a) the Settlement Class Member's estimated Individual
2 Settlement Payment and Individual PAGA Payment,
3 and the basis for each;
- 4 (b) the information required by California Rule of Court,
5 rule 3.766, subdivision (d);
- 6 (c) the material terms of the Settlement;
- 7 (d) the proposed Settlement Administration Costs;
- 8 (e) the definition of the Settlement Class;
- 9 (f) a statement that the Court has preliminarily approved
10 the Settlement;
- 11 (g) how the Settlement Class Member can obtain
12 additional information, including contact information
13 for Class Counsel;
- 14 (h) information regarding opt-out and objection
15 procedures;
- 16 (i) the date and location of the Final Approval Hearing;
17 and
- 18 (j) that the Settlement Class Member must notify the
19 Settlement Administrator no later than the Response
20 Deadline if the Settlement Class Member disputes the
21 accuracy of the number of Workweeks as set forth on
22 his or her Class Notice ("Workweek Dispute"). If a
23 Settlement Class Member fails to timely dispute the
24 number of Workweeks attributed to him or her in
25 conformity with the instructions in the Class Notice,
26 then he or she shall be deemed to have waived any
27 objection to its accuracy and any claim to any
28 additional settlement payment based on different data.

1 (3) If a Class Notice from the initial notice mailing is returned as
2 undeliverable, the Settlement Administrator will attempt to obtain a current address for the
3 Settlement Class Member to whom the returned Class Notice had been mailed, within five (5)
4 calendar days of receipt of the returned Class Notice, by: (1) contacting the Settlement Class
5 Member by phone, if possible, and (2) undertaking skip tracing. If the Settlement Administrator
6 is successful in obtaining a new address, it will promptly re-mail the Class Notice to the
7 Settlement Class Member. Further, any Class Notices that are returned to the Settlement
8 Administrator with a forwarding address before the Response Deadline shall be promptly re-
9 mailed to the forwarding address affixed thereto.

10 (4) No later than fourteen (14) calendar days from the Response Deadline, the
11 Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the
12 completion of the notice process, including the number of attempts to obtain valid mailing
13 addresses for and re-sending of any returned Class Notices, as well as the identities, number of,
14 and copies of all Requests for Exclusion and Objections received by the Settlement
15 Administrator.

16 **B. Objections.**

17 Only Participating Class Members may object to the Settlement. In order for any
18 Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must
19 do so by mailing a written objection to the Settlement Administrator at the address or phone
20 number provided on the Class Notice no later than the Response Deadline. The Settlement
21 Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendant's
22 counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which
23 Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection
24 should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the last four
25 digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of
26 whether the Objector plans to appear at the Final Approval Hearing; and (6) the reason(s) for the
27 Objection, along with whatever legal authority, if any, the Objector asserts in support of the
28 Objection. If a Settlement Class Member objects to the Settlement, the Settlement Class Member

1 will remain a member of the Settlement Class and if the Court approves this Agreement, the
2 Settlement Class Member will be bound by the terms of the Settlement in the same way and to
3 the same extent as a Settlement Class Member who does not object. The date of mailing of the
4 Class Notice to the objecting Settlement Class Member shall be conclusively determined
5 according to the records of the Settlement Administrator. Settlement Class Members need not
6 object in writing to be heard at the Final Approval Hearing; they may object or comment in
7 person at the hearing at their own expense. Class Counsel and Defendant's Counsel may respond
8 to any objection lodged with the Court up to five (5) court days before the Final Approval
9 Hearing.

10 **C. Requesting Exclusion.**

11 Any Settlement Class Member may request exclusion from (*i.e.*, "opt out" of) the
12 Settlement by mailing a written request to be excluded from the Settlement ("Request for
13 Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline.
14 To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class
15 Member's Social Security Number; (3) the Class Member's signature; and (4) the following
16 statement: "Please exclude me from the Settlement Class in the *Reyes v. Imperial Sprinkler*
17 *Supply, Inc., et al.* matter" or a statement of similar meaning. The Settlement Administrator shall
18 immediately provide copies of all Requests for Exclusion to Class Counsel and Defendant's
19 Counsel and shall report the Requests for Exclusions that it receives, to the Court, in its
20 declaration to be provided in advance of the Final Approval Hearing. Any Settlement Class
21 Member who requests exclusion using this procedure will not be entitled to receive any payment
22 from the Settlement and will not be bound by the Settlement Agreement or have any right to
23 object to, appeal, or comment on the Settlement. Any Settlement Class Member who does not
24 opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound
25 by all terms of the Settlement, including those pertaining to the Released Claims, as well as any
26 Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A
27 Settlement Class Member cannot submit both a Request for Exclusion and an Objection. If a
28 Settlement Class Member submits an Objection and a Request for Exclusion, the Request for

1 Exclusion will control and the Objection will be overruled. Settlement Class Members who
2 worked during the PAGA Period as Aggrieved Employees that submit a valid Request for
3 Exclusion will still be deemed Aggrieved Employees, will still receive their Individual PAGA
4 Payments, and will be bound by the release of the PAGA Released Claims.

5 **D. Disputes Regarding Settlement Class Members' Workweek Data.**

6 Each Settlement Class Member may dispute the number of Workweeks attributed to him
7 or her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to
8 the Settlement Administrator by the Settlement Class Member, postmarked on or before the
9 Response Deadline. The Settlement Administrator shall immediately provide copies of all
10 disputes to Class Counsel and counsel for Defendants and shall immediately attempt to resolve
11 all such disputes directly with relevant Settlement Class Member(s) with the assistance of
12 Defendants and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall
13 adjudicate the dispute.

14 **10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA**
15 **PAYMENTS**

16 Individual Settlement Payments will be calculated and distributed to Participating Class
17 Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class
18 Members' respective number of Workweeks during the Class Period. Individual PAGA
19 Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees
20 from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective
21 number of Workweeks during the PAGA Period. Specific calculations of the Individual
22 Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as
23 follows:

24 **A.** The Settlement Administrator will determine the total number of Workweeks
25 worked by each Settlement Class Member during the Class Period ("Class Member's
26 Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class
27 Members during the Class Period ("Class Workweeks"). Additionally, the Settlement
28 Administrator will determine the total number of Workweeks worked by each Aggrieved

Employee during the PAGA Period (“Aggrieved Employee’s Workweeks”), as well as the aggregate number of Workweeks worked by all Aggrieved Employees during the PAGA Period (“PAGA Workweeks”).

B. To determine each Settlement Class Member’s Individual Settlement Share, the Settlement Administrator will use the following formula: Individual Settlement Share = (Settlement Class Member’s Workweeks ÷ Class Workweeks) × Net Settlement Amount.

C. To determine each Participating Class Member’s Participating Individual Settlement Share, the Settlement Administrator will determine the aggregate number of Workweeks worked by all Participating Class Members during the Class Period (“Participating Class Workweeks”) and use the following formula: Individual Settlement Share = (Participating Class Member’s Workweeks ÷ Participating Class Workweeks) × Net Settlement Amount.

D. The net amount of the Participating Individual Settlement Share is to be paid out to Participating Class Members by way of check and is referred to as “Individual Settlement Payment(s)”.

E. To determine each Aggrieved Employee’s Individual PAGA Payment, the Settlement Administrator will use the following formula: Aggrieved Employee’s Individual PAGA Payment = (Aggrieved Employee’s Workweeks ÷ PAGA Workweeks) x \$12,500.00 (the PAGA Payment).

F. Individual Settlement Payments and Individual PAGA Payments shall be paid to Participating Class Members and/or Aggrieved Employees by way of check. When a Participating Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the Individual Settlement Payment and the Individual PAGA Payment.

11. DISTRIBUTION OF PAYMENTS

A. Distribution of Individual Settlement Payments.

Participating Class Members will receive an Individual Settlement Payment and Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement Payment and Individual PAGA Payment checks shall remain valid and negotiable for one

1 hundred and eighty (180) calendar days after the date of their issuance. Within seven (7)
2 calendar days after expiration of the 180-day period, checks for such payments shall be
3 cancelled and funds associated with such checks shall be considered unpaid, unclaimed or
4 abandoned cash residue pursuant to Code of Civil Procedure section 384 (“Unpaid
5 Residue”). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil
6 Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street,
7 Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Orange
8 County. The Settlement Administrator shall prepare a report regarding the distribution plan
9 pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court
10 by Class Counsel along with a proposed amended judgment that is consistent with the
11 provisions of Code of Civil Procedure section 384.

12 **B. Funding of Settlement.**

13 Defendants shall, within thirty (30) calendar days of Final Approval Date, make payment
14 of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 16 of this
15 Agreement) and Employer Taxes to the Settlement Administrator pursuant to Internal Revenue
16 Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account (“QSA”)
17 with an FDIC insured banking institution, for distribution in accordance with this Agreement and
18 the Court’s Orders and subject to the conditions described herein.

19 Payments from the QSA shall be made for (1) the Service Award to Plaintiff as specified
20 in this Agreement and approved by the Court; (2) the Attorneys’ Fees and Cost Award to be paid
21 to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement
22 Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA
23 Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA
24 Payments as specified in this Agreement and approved by the Court. The balance remaining shall
25 constitute the Net Settlement Amount from which Individual Settlement Payments shall be made
26 to Participating Class Members, less applicable taxes and withholdings. All interest accrued shall
27 be for the benefit of the Class Members and distributed on a *pro rata* basis.

28 ///

1 **C. Time for Distribution.**

2 Within fourteen (14) calendar days after payment of the full Gross Settlement Amount
3 and Employer Taxes by Defendants, or as soon thereafter as practicable, the Settlement
4 Administrator shall distribute all payments due under the Settlement, including Individual
5 Settlement Payments to Participating Class Members, Individual PAGA Payments to Aggrieved
6 Employees, Court-approved payments for the Service Award to Plaintiff, attorneys' fees and
7 litigation costs and expenses to Class Counsel, approved settlement administration costs to the
8 Settlement Administrator, and the LWDA Payment to the LWDA.

9 **12. ATTORNEYS' FEES AND LITIGATION COSTS**

10 Class Counsel shall apply for, and Defendants shall not oppose, an award of attorneys'
11 fees of up to 35% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph
12 17 of this Agreement, amounts to Four Hundred and Twenty Thousand Dollars and Zero Cents
13 (\$420,000.00). Class Counsel shall further apply for, and Defendants shall not oppose, an
14 application or motion by Class Counsel for reimbursement of actual costs associated with Class
15 Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to
16 Thirty Thousand Dollars and Zero Cents (\$30,000.00). Awards of attorneys' fees and costs shall
17 be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs
18 necessary to prosecute, settle, and obtain Final Approval of the settlement in the Class and PAGA
19 Action. The "future" aspect of the amounts stated herein includes, without limitation, all time
20 and expenses expended by Class Counsel (including any appeals therein). There will be no
21 additional charge of any kind to either the Settlement Class Members or request for additional
22 consideration from Defendants for such work unless, Defendants materially breach this
23 Agreement, including any term regarding funding, and further efforts are necessary from Class
24 Counsel to remedy said breach. Should the Court approve attorneys' fees and/or litigation costs
25 and expenses in amounts that are less than the amounts provided for herein, then the unapproved
26 portion(s) shall be a part of the Net Settlement Amount.

27 **13. SERVICE AWARD TO PLAINTIFF**

28 Named Plaintiff shall seek, and Defendants shall not oppose, a Service Award in an

amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for participation in and assistance with the Class Action. Any Service Award awarded to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If the Court approves the Service Award to Plaintiff in less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

14. TAXATION AND ALLOCATION

a. Each Individual Settlement Share shall be allocated as follows: 10% as wages (to be reported on an IRS Form W2); and 90% as interest and penalties (to be reported on an IRS Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties agree that the employees' share of taxes and withholdings with respect to the wage-portion of the Individual Settlement Share will be withheld from the Individual Settlement Share in order to yield the Individual Settlement Payment. The amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treasury Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

b. Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

c. All Employer Taxes shall be paid by Defendants separate, apart, and above from the Gross Settlement Amount. Defendants shall remain liable to pay the employer's share of payroll taxes as described above.

d. Neither Counsel for Plaintiff nor Defendants intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

1 **15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION**

2 The Parties agree to allocate Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the
3 Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent
4 (75%) of the amount allocated toward PAGA (\$37,500.00) will be paid to the LWDA and twenty-
5 five percent (25%) (\$12,500.00) will be distributed to Aggrieved Employees on a *pro rata* basis
6 based upon their respective Workweeks worked as Aggrieved Employees during the PAGA
7 Period.

8 **16. COURT APPROVAL**

9 This Agreement is contingent upon an order by the Court granting Final Approval of the
10 Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it
11 becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties
12 shall be restored to their respective positions in the Class and PAGA Action prior to entry of this
13 Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is
14 reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except
15 to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying
16 approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically
17 stated to survive the Settlement Agreement being voided or not approved, and which control in
18 such an event.

19 **17. INCREASE IN WORKWEEKS**

20 Defendants represents that there are no more than 65,438 Workweeks worked during
21 the Class Period by Class Members. In the event the number of Workweeks worked by Class
22 Members during the Class Period increases by more than 10%, or 6,544 Workweeks, then the
23 Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of
24 71,982 Workweeks multiplied by the Workweek Value. The Workweek Value shall be
25 calculated by dividing the originally agreed-upon Gross Settlement Amount (\$1,200,000.00)
26 by 65,438, which amounts to a Workweek Value of \$18.34. Thus, for example, should there be
27 72,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased
28 by \$330.12. ((72,000 Workweeks – 71,982 Workweeks) x \$18.34 per Workweek.)

1 **18. NOTICE OF JUDGMENT**

2 In addition to any duties set out herein, the Settlement Administrator shall provide
3 notice of the Final Judgment entered in the Action by posting the same on its website for a
4 period of no less than four (4) years.

5 **19. MISCELLANEOUS PROVISIONS**

6 **A. Interpretation of the Agreement.**

7 This Agreement constitutes the entire agreement between the Parties with respect to its
8 subject matter. Except as expressly provided herein, this Agreement has not been executed in
9 reliance upon any other written or oral representations or terms, and no such extrinsic oral or
10 written representations or terms shall modify, vary or contradict its terms. In entering into this
11 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
12 may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and
13 enforced under the laws of the State of California, both in its procedural and substantive aspects,
14 without regard to its conflict of law provisions. Any claim arising out of or relating to the
15 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
16 Court of the State of California for the County of Orange, and Plaintiff and Defendants hereby
17 consent to the personal jurisdiction of the Court in the Action over it solely in connection
18 therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties,
19 and each of them, participated in the negotiation and drafting of this Agreement and had available
20 to them the advice and assistance of independent counsel. As such, neither Plaintiff nor
21 Defendants may claim that any ambiguity in this Agreement should be construed against the
22 other. The Agreement may be modified only by a writing signed by counsel for the Parties and
23 approved by the Court.

24 **B. Further Cooperation.**

25 The Parties and their respective attorneys shall proceed diligently to prepare and execute
26 all documents, to seek the necessary approvals from the Court, and to do all things reasonably
27 necessary to consummate the Settlement as expeditiously as possible.

28 ///

1 **C. Counterparts.**

2 The Agreement may be executed in one or more actual or non-original counterparts, all
3 of which will be considered one and the same instrument and all of which will be considered
4 duplicate originals.

5 **D. Authority.**

6 Each individual signing below warrants that he or she has the authority to execute this
7 Agreement on behalf of the Party for whom or which that individual signs.

8 **E. No Third-Party Beneficiaries.**

9 Plaintiff, Participating Class Members, Class Counsel, and Defendants are direct
10 beneficiaries of this Agreement, but there are no third-party beneficiaries.

11 **F. Deadlines Falling on Weekends or Holidays.**

12 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,
13 or legal holiday, that deadline shall be continued until the following court day.

14 **G. Severability.**

15 In the event that one or more of the provisions contained in this Agreement shall for any
16 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
17 unenforceability shall in no way effect any other provision if Defendants' Counsel and Class
18 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed
19 as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

20 **IT IS SO AGREED:**

21
22 Dated: Mar 4, 2022, 2022


Cecil Reyes (Mar 4, 2022 10:04 PST)
CECIL K. REYES
Plaintiff and Class Representative

23
24
25 Dated: _____, 2022

IMPERIAL SPRINKLER SUPPLY, INC.
Defendant
By:
Its:

1 Dated: _____, 2022

DARLENE HUNN
Defendant

2
3 **AGREED AS TO FORM ONLY:**

4 BIBIYAN LAW GROUP, P.C.

5
6 Dated: March 7, 2022

Vedang J. Patel
DAVID D. BIBIYAN
VEDANG J. PATEL
Attorneys for Plaintiff CECIL K. REYES

8
9 PALMIERI, TYLER, WEINER, WILHELM, &
10 WALNDRON, LLP

11
12 Dated: _____, 2022

ERICA M. SOROSKY
ERIN K. OYAMA
Attorneys for Defendants IMPERIAL
13 SPRINKLER SUPPLY, INC. and DARLENE
14 HUNN

15
16 BENT CARYL & KROLL, LLP

17
18 Dated: _____, 2022

STEVEN M. KROLL
Attorneys for Defendants IMPERIAL
19 SPRINKLER SUPPLY, INC. and DARLENE
20 HUNN

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16 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
17 unenforceability shall in no way effect any other provision if Defendants' Counsel and Class
18 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed
19 as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

20 **IT IS SO AGREED:**

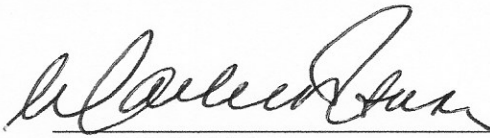
21
22 Dated: _____, 2022

CECIL K. REYES
Plaintiff and Class Representative

23
24
25 Dated: 2/27, 2022

IMPERIAL SPRINKLER SUPPLY, INC.
Defendant
By: Darlene Huna
Its: CEO

1 Dated: 2/27, 2022


DARLENE HUNN
Defendant

2
3 **AGREED AS TO FORM ONLY:**

4 BIBIYAN LAW GROUP, P.C.

5
6 Dated: _____, 2022

7 DAVID D. BIBIYAN
8 VEDANG J. PATEL
9 Attorneys for Plaintiff CECIL K. REYES

10 PALMIERI, TYLER, WEINER, WILHELM, &
11 WALNDRON, LLP

12 Dated: _____, 2022

13 ERICA M. SOROSKY
14 ERIN K. OYAMA
15 Attorneys for Defendants IMPERIAL
16 SPRINKLER SUPPLY, INC. and DARLENE
17 HUNN

18 BENT CARYL & KROLL, LLP

19 Dated: _____, 2022

20 STEVEN M. KROLL
21 Attorneys for Defendants IMPERIAL
22 SPRINKLER SUPPLY, INC. and DARLENE
23 HUNN

1 Dated: _____, 2022

DARLENE HUNN
Defendant

3 **AGREED AS TO FORM ONLY:**

4 BIBIYAN LAW GROUP, P.C.

6 Dated: _____, 2022

7 DAVID D. BIBIYAN
8 VEDANG J. PATEL
Attorneys for Plaintiff CECIL K. REYES

9 PALMIERI, TYLER, WEINER, WILHELM, &
10 WALNDRON, LLP

11 

12 Dated: March 1 _____, 2022

13 ERICA M. SOROSKY
14 ERIN K. OYAMA
Attorneys for Defendants IMPERIAL
15 SPRINKLER SUPPLY, INC. and DARLENE
16 HUNN

17 BENT CARYL & KROLL, LLP

18 Dated: March 4 _____, 2022

19 
STEVEN M. KROLL
Attorneys for Defendants IMPERIAL
20 SPRINKLER SUPPLY, INC. and DARLENE
21 HUNN

EXHIBIT A

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Reyes v. Imperial Sprinkler Supply, Inc., et al.

(County of Orange, California Superior Court Case No. 30-2020-01167748-CU-OE-CXC)

As a current or former non-exempt, hourly-paid California employee of Imperial Sprinkler Supply, Inc. and Darlene Hunn, you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of Imperial Sprinkler Supply, Inc. and Darlene Hunn (“collectively, “Defendants”) show you are a “Class Member,” and therefore entitled to a payment from this class action Settlement. Class Members are all persons who currently work or formerly worked for Defendants as non-exempt, hourly-paid employees in the State of California at any time from October 28, 2016 through the date the Court grants preliminary approval of this Settlement, or April 21, 2022, whichever is earlier (“Class Period”).

- The settlement is to resolve a class action lawsuit, *Reyes v. Imperial Sprinkler Supply, Inc., et al.*, pending in the Superior Court of California for the County of Orange, Case Number 30-2020-01167748-CU-OE-CXC (the “Lawsuit”), which alleges that Defendants: (1) failed to pay Class Members for overtime and minimum wages; (2) failed to provide Class Members compliant meal periods or associated premium pay; (3) failed to provide rest periods or associated premium pay; (4) failed to pay all wages due upon termination or resignation from employment; (5) failed to issue compliant and accurate wage statements; (6) failed to reimburse employees for expenses incurred in furtherance of work; and (7) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seeks penalties under the California Labor Code Private Attorney Generals Act (“PAGA”).
- On [REDACTED], the Los Angeles Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contends that they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked from July 27, 2019 through and including the date the Court grants preliminary approval of this Settlement or April 21, 2022, whichever is earlier, (“PAGA Period”) as a non-exempt, hourly-paid employee of Defendants, as well, then you will be deemed an “Aggrieved Employee” and you will still

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

	receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your “Individual PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. If you timely object, you or your attorney may also address the Court during the Final Approval Hearing scheduled for [DATE AND TIME] in Department CX102 of the Complex Civil Center of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, CA 92701.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED] .m. on [REDACTED], in the Complex Civil Center of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, CA 92701, in Department CX102. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants’ records show that you currently work, or previously worked, for Defendants as a non-exempt, hourly-paid employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Cecil K. Reyes was a non-exempt, hourly-paid employee of Defendants. He is the “Plaintiff” in this case and is suing on behalf of himself and Class Members for Defendants’ alleged failure to pay overtime and minimum wages, failure to provide meal periods or associated premium pay, failure to provide rest periods or associated premium pay, failure to pay all wages due upon termination or resignation from employment, failure to issue compliant and accurate wage statements, failure to reimburse employees for expenses incurred in furtherance of work, and unfair competition.

Based on these and other alleged Labor Code violations, Plaintiff also seeks to recover penalties under the California Labor Code Private Attorney Generals Act.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Defendants deny all of the allegations made by Plaintiff and deny that they violated any law. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of One Million, Two Hundred Thousand Dollars Zero Cents (\$1,200,000.00). The Gross Settlement includes: (1) Administration Costs up to \$9,850.00; (2) a service payment of up to \$7,500.00 to Plaintiff Cecil K. Reyes for his time and effort in pursuing this case and in exchange for a broader release of claims against Defendants; (3) up to 35% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, shall amount to \$420,000.00; (4) up to \$30,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of \$50,000.00, of which 75% (or \$37,500.00) will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% (\$12,500.00) will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$682,650.00 will be available for distribution to Class Members ("Net Settlement Amount"), and \$12,500.00 will be available for distribution to Aggrieved Employees.

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt, hourly-paid positions for Defendant in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$12,500.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period at Defendant's facilities.

Defendants' records indicate that you worked [Eligible Workweeks] as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Workweeks] during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [RESPONSE DEADLINE]. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 10% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 90% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

///

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive a your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement and payment by Defendant to the Settlement Administrator.

“Released Claims” refers to all claims against the Released Parties asserted in the First Amended Complaint filed in the Lawsuit, or any and all claims that could be asserted against the Released Parties based on the factual allegations in the First Amended Complaint filed in the Lawsuit, as follows: For the duration of the Class Period, the release includes, for Participating Class Members, including Plaintiff: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal and rest periods and associated premium pay; (d) all claims for the failure to timely pay wages upon termination or resignation; (e) all claims for non-compliant wage statements; (f) all claims for failure to indemnify work expenses; and (g) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the First Amended Complaint filed in the Lawsuit (the “Class Released Claims”).

For Aggrieved Employees, including Plaintiff, (and, to the extent permitted by law, the State of California), the release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice, the Amended PAGA Notice, and alleged in the First Amended Complaint filed in the Lawsuit, for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1197.1, and 2699 in connection with violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1194, 1194.2, 1197, and 2802 (the “PAGA Released Claims” and collectively with Class Released Claims, the “Released Claims”).

“Released Parties” refers to Defendants and each of their past, present, and future respective subsidiaries, dba’s, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees, and agents.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your full name, Social Security Number, and the following statement or something to its effect: “Please exclude me from the Settlement Class in the *Reyes v.*

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Imperial Sprinkler Supply, Inc., et al. matter.” Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you may file an objection in writing stating why you object to the Settlement. Your written objection must provide your name, address, and a statement of the reason(s) why you believe that the Court should not approve the Settlement. Your written objection must be mailed the Administrator no later than **[RESPONSE DEADLINE]**. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Approval Hearing

You may, if you wish, also appear at the Final Approval Hearing set for _____ at _____.m. in the Complex Civil Center of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, CA 92701, in Department CX102, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at **[PHONE NUMBER]** or Class Counsel, whose information appears below:

BIBIYAN LAW GROUP, P.C.
David D. Bibiyan (SBN 287811)
david@tomorrowlaw.com
8484 Wilshire Boulevard, Suite 500
Beverly Hills, California 90211
Tel: (310) 438-5555; Fax: (310) 300-1705

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Complex Civil Center of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, CA 92701, during regular business hours of each court day.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANTS, OR DEFENDANTS’ ATTORNEYS WITH INQUIRIES.**

Questions? Contact the Settlement Administrator toll free at **[PHONE NUMBER]**