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Attorneys for Plaintiff and the Class

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

TARA JOY, as a private attorney general and as
an individual and on behalf of all others similarly
situated,

Plaintiffs,

vs.

CONTROL AIR ENTERPRISES LLC, a
Delaware limited liability company; CONTROL
AIR CONDITIONING CORP., a California
corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. 30-2020-01155488-CU-OE-CXC

[Hon. Glenda Sanders, Department CX101]

**DECLARATION OF SIMON L. YANG IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

*[Filed concurrently with Notice of Motion and
Motion for Preliminary Approval of Class Action
Settlement; Declaration of Larry W. Lee;
Declaration of Roger R. Carter; Declaration of
Marc J. Phelps; Declaration of Tara Joy;
[Proposed] Order]*

Date: July 8, 2022
Time: 1:30 p.m.
Department: CX101

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiff. I make this declaration on the basis of my
4 own personal knowledge, except as to those matters stated on information and belief and, as to those
5 matters, I believe them to be true. If called as a witness, I could testify competently as to the facts stated
6 in this declaration.

7 2. On August 17, 2020, Plaintiff initiated this class and representative PAGA action to
8 remedy Defendants' wage statement violations since April 6, 2019. Prior to filing the Complaint in this
9 matter, Plaintiff notified Defendants Control Air Enterprises LLC and Control Air Conditioning Corp.
10 and the Labor and Workforce Development Agency ("LWDA") regarding Defendants' wage statements
11 that failed to show the name or address of the legal entity that was the employer. Defendants attempted
12 to cure some of the wage statement deficiencies. In various communications with the LWDA,
13 Defendants explained that employees previously employed by Control Air Conditioning Corporation
14 were transferred to Control Air Enterprises LLC on June 1, 2019. On that basis, on November 17, 2020,
15 Plaintiff submitted a supplemental notice to the LWDA and met and conferred with Defendants about an
16 amended complaint regarding Control Air Conditioning Corporation's failure to pay all wages and
17 accrued PTO upon termination of employment. The Parties then agreed to schedule a mediation.

18 3. Prior to the settlement of this action, Plaintiff served formal discovery, and Defendants
19 provided information related to defenses that it alleged would apply to Plaintiff's claims. The Parties
20 investigated the facts relating to Plaintiff's allegations and engaged in a thorough study of the legal
21 principles applicable to both the claims Plaintiff alleged and defenses Defendants asserted. Defendants
22 also provided the numbers of individuals, wage statements, and pay periods relevant to Plaintiff's
23 allegations, among other things. Throughout the litigation, Plaintiff provided information and
24 documents, including while the lawsuit was pending, to confirm Defendants' representations and review
25 produced documents. The Wage Statement Class is comprised of approximately 332 individuals. The
26 Vacation Class is comprised of no more than 180 individuals.

27 4. After 10 months of litigation, the Parties commenced settlement negotiations through a
28 well-respected mediator, the Hon. Steven R. Denton (Ret.). Following the mediation, the Parties were

ultimately able to agree to the current settlement described in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement”), a true and correct copy of which is attached as **Exhibit 1**.¹

5. Prior to the mediation, Defendants provided the number of individuals and relevant number of wage statements pertinent to Plaintiff’s allegations, among other things. Based on the information provided by Defendant, Plaintiff estimates that at the time of mediation Defendants faced potential liability of approximately \$1,680,000 under Section 226(e) for 19,021 relevant wage statements. For at least 4,755 wage statements that Defendants did not attempt to correct during the PAGA cure process, Defendants faced potential liability of an additional \$1,188,750 under Section 226.3. Plaintiff also estimates that at the time of mediation Defendants faced potential liability of approximately \$1,482,096 in waiting time penalties to 154 employees not timely paid their accrued vacation wages upon the end of their employments with Control Air Conditioning Corporation. Under PAGA, Defendants faced potential liability of an additional \$15,400 under Section 2699(f).

6. Defendants asserted various defenses. For example, Plaintiff understood that Defendants would contend that PAGA penalties for each wage statement violation presented a theoretical maximum liability of \$100 under Section 2699(f), rather than \$250 under Section 226.3, and that Section 226(e) penalties would be subject to additional defenses requiring proof of injuries resulting from knowing and intentional violations. As for potential liability for waiting time penalties, Plaintiff expected that Defendants would further contend that liability under Section 203 would be subject to additional defenses based on Defendants’ good faith. Plaintiff also expected that Defendants would contend that the majority of potential PAGA liability would be subject to discretionary reduction. While the Parties disagree on the application of the law to the facts, each Party recognized in negotiations that, if taken to trial, the other Party would at least have reasonable arguments, such that the Gross Settlement Amount to which the Parties ultimately agreed at mediation was reasonable.

7. Even when including the aforementioned potential PAGA penalties under Section 226.3 and 2699(f) without any discretionary reduction, the Gross Settlement Amount secures approximately 17.18% of Defendants’ potential liability. Although I am confident that litigation of the claims would

¹ Based on Defendants’ use of English at the workplace and the English-proficiency of the Class, I am informed and believe there is no apparent need for any translation of the Notice.

1 result in a classwide judgment against Defendant, I recognize the inherent risks in litigation, including
2 the specific risks that class certification could be denied, liability could not be established at trial, or the
3 applicable law could change. I recognize that the settlement resulting from extensive arm's length
4 negotiations between the Parties is fair, reasonable, and adequate for each participating Class Member,
5 given the inherent risks of litigation, as well as the potential for appeals and the costs of pursuing
6 litigation.

7 8. Pursuant to the settlement's terms, it is estimated that no less than approximately
8 \$465,500.00 will be available to be distributed to Class Members. Based on Defendants' data, each
9 Wage Statement Class Member, on average, would receive approximately \$701.05, after all requested
10 deductions from the Gross Settlement Amount. The amount actually paid to any Wage Statement Class
11 Member may increase or decrease depending on his or her number of workweeks. Based on Defendants'
12 data, each Vacation Class Member, on average, would receive approximately \$1,293.06, after all
13 requested deductions from the Gross Settlement Amount. Individuals who are both Wage Statement
14 Class Members and Vacation Class Members are entitled to receive payments as members of both
15 classes. The amount paid on average to each Class Member may increase, depending on how many
16 Class Members opt out of the settlement.

17 9. I am one of the primary attorneys on this matter. My qualifications are as follows: After
18 completing my undergraduate education at The Wharton School at the University of Pennsylvania in
19 2004 with concentrations in Management and Human Resources, I continued studying labor and
20 employment issues by enrolling in post-graduate education at the School of Labor and Employment
21 Relations at the University of Illinois. I determined before enrolling in law school that I wanted to
22 practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in
23 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region
24 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP in 2007.

25 10. Upon graduating from law school in 2008, I practiced labor and employment law at
26 Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My
27 practice focused on wage and hour class, collective, and representative actions, with a particular
28 emphasis on PAGA matters. During my time with Seyfarth Shaw LLP, I was a primary attorney on

1 numerous wage and hour class, collective, and representative actions that resulted in published opinions,
2 including for example, *Ehret v. WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary
3 judgment in PAGA action based on absence of meal period violations in light of collectively bargained
4 waiver of meal periods on shifts of not more than six hours), and *Ruelas v. Costco Wholesale*
5 *Corporation*, 67 F. Supp. 3d 1137 (C.D. Cal. Sept. 8, 2014) (obtaining dismissal of wage statement
6 allegations in PAGA representative action). I was also able to obtain experience litigating representative
7 claims or wage and hour matters through trial and appeal. *E.g.*, *Velazquez v. Costco Wholesale*
8 *Corporation*, 603 Fed. App'x 584 (9th Cir. Mar. 25, 2015) (reversing award of waiting-time penalties
9 based on lack of evidence supporting any willful failure to pay wages); *Ward v. Costco Wholesale*
10 *Corporation*, 552 Fed. App'x 631 (9th Cir. Jan. 9, 2014) (affirming bench-trial judgment in favor of
11 defendant against named plaintiff and 18 opt-in plaintiffs in collective action with involving deductions
12 from final paychecks). I also litigated class certification on numerous matters, including in this Court.
13 *E.g.*, *Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326 (denial of class
14 certification on behalf of retail employees alleging off-the-clock work).

15 11. Based on my experience in wage and hour class, collective, and representative actions, I
16 have been interviewed and quoted in articles published in the Northern California Record about
17 legislative efforts to reform PAGA. I also have published articles on myriad topics relevant to wage and
18 hour class and representative action litigation, including for example articles on California kin care
19 requirements in *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of
20 California employment laws in *The Recorder* (134RD Year No. 28), and California meal and rest break
21 laws in *California Transportation News*, a publication of the California Construction Trucking
22 Association.

23 12. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law Group, P.C.,
24 which also focuses primarily on employment law. I have handled a number of wage and hour class and
25 representative actions and continue litigating such matters in numerous Superior Courts and District
26 Courts. From matters with both Seyfarth Shaw LLP and Diversity Law Group, P.C., I have successfully
27 mediated the resolution of dozens of wage and hour class, collective, and representative actions. I have
28

1 obtained class certification and been appointed class counsel, including in this Court. No court has ever
2 found me to be inadequate class counsel.

3 13. My co-counsel and I will adequately represent the Class Members in this action and have
4 no conflicts with the class. Plaintiff's Counsel have and will zealously represent Plaintiff and the Class
5 and pursue this lawsuit to its conclusion.

6 14. Along with the filing of the motion for preliminary approval of the settlement in this
7 matter, my regular practice would be to direct my office staff to similarly upload a copy of the motion
8 papers to the Labor and Workforce Development Agency LWDA in compliance with Section 2699(1)(2)
9 and (4). Similarly, upon approval of a settlement in this matter, my regular practice would be to direct
10 my office staff to similarly upload a copy of the Court's judgment, papers, or other orders awarding civil
11 penalties under PAGA.

12 I declare under penalty of perjury under the laws of the State of California that the foregoing is
13 true and correct. Executed this 13th day of June 2022, at Pasadena, California.

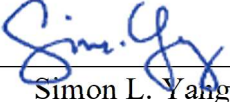
14 
15 _____
Simon L. Yang

EXHIBIT 1

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Attorneys for Plaintiff and Proposed Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

TARA JOY, as an individual and on behalf of all
others similarly situated, and as a private attorney
general,

Plaintiff,

vs.

CONTROL AIR ENTERPRISES LLC, a
Delaware limited liability company; CONTROL
AIR CONDITIONING CORP., a California
corporation; and DOES 1 through 50, Inclusive;
and DOES 1 through 50, inclusive,

Defendants.

Case No. 30-2020-01155488-CU-OE-CXC

[Assigned for all purposes to the Hon. Glenda
Sanders - Dept.CX101]

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT**

1 This Joint Stipulation of Class Action and PAGA Settlement (“Agreement”) is made and
2 entered into by and between Tara Joy (“Plaintiff”), as an individual and on behalf of all others
3 similarly situated, and as a proxy for the State of California, on the one hand, and Control Air
4 Enterprises LLC and Control Air Conditioning Corp. (“Defendants”) (collectively, the “Parties”), on
5 the other hand. The Parties expressly acknowledge that this Agreement is entered into solely for the
6 purpose of compromising significantly disputed claims and that nothing in this Agreement is an
7 admission of liability or wrongdoing by Defendants. If for any reason the Agreement is not approved,
8 it will be of no force or effect, and the Parties will be returned to their respective positions as if they
9 had never executed this Agreement.

10 DEFINITIONS

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

13 1. “Action” means *Tara Joy v. Control Air Enterprises LLC et al.*, Orange County
14 Superior Court Case No. 30-2020-01155488-CU-OE-CXC.

15 2. “Administrator” means Phoenix Settlement Administrators or any other third-party
16 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
17 administering the Settlement. The Parties each represent that they do not have any financial interest in
18 the Administrator or otherwise have a relationship with the Administrator that could create a conflict
19 of interest.

20 3. “Administration Expenses” means the costs for administering the Settlement, including,
21 but not limited to, expenses for printing; conducting a National Change of Address (“NCOA”) search;
22 distributing (including with appropriate postage), and tracking documents for the Settlement;
23 conducting any searches to locate any Class Members; tax reporting; distributing any and all
24 payments; providing necessary certification of completion of notice, reports, and declarations;
25 establishing and administering a qualified settlement fund; and performing other responsibilities set
26 forth in this Agreement and as requested by the Parties.

27 4. “Class Counsel” means Larry W. Lee and Simon L. Yang of the Diversity Law Group,
28 P.C., Roger R. Carter of The Carter Law Firm, and Marc H. Phelps of The Phelps Law Group.

1 5. “Class Counsel Fees and Costs” means a Court-approved payment from the Gross
2 Settlement Amount for Class Counsel’s attorneys’ fees, costs, and expenses incurred and to be
3 incurred by Class Counsel in litigation and resolution of the Action, including, but not limited to, costs
4 associated with litigating the Action, securing Preliminary Approval and Final Approval and taking all
5 actions necessary to obtain entry of the Judgment terminating the Action, but excluding
6 Administration Expenses which are separately defined and addressed above.

7 6. “Class List” means a complete list of all Class Members that Defendants will diligently
8 and in good faith compile from its records and provide on a confidential basis to the Administrator
9 within fourteen (14) calendar days after Preliminary Approval. The Class List will provide the
10 Administrator with the total number of workweeks for each Class Member within the Wage Statement
11 Class and the total number of workweeks for each Class Member within the Vacation Class. The Class
12 List will be formatted in Microsoft Office Excel and Defendants will use their best efforts to include
13 each Class Member’s full name; most recent mailing address; last known telephone number if readily
14 available; and Social Security number.

15 7. “Class Member(s)” means a member of the Wage Statement Class or Vacation Class:

16 7(a) All non-union employees who were issued wage statements from May 29,
17 2019 through August 9, 2020 (“Wage Statement Class”). The Wage
18 Statement Class is comprised of three hundred thirty-two (332) individuals.

19 7(b) All employees whose employment with Control Air Conditioning
20 Corporation ended on May 31, 2019 (“Vacation Class”). The Vacation Class
21 is comprised of no more than one hundred and eighty (180) individuals.

22 8. “Class Representative Enhancement Payment” means a Court-approved payment from
23 the Gross Settlement Amount for to Plaintiff in recognition of her efforts and work in prosecuting the
24 Action on behalf of Class Members and in consideration of Plaintiff’s additional general release of
25 claims inapplicable to Settlement Class Members.

26 9. “Court” means the Orange County Superior Court, or any other court taking jurisdiction
27 of the Action.
28

1 10. “Effective Date” means the latest date among the following: (a) if no objections to the
2 settlement are filed, the date the Final Approval is signed by the Court; (b) if objections to the
3 settlement are filed, the day following the expiration of the time for the filing of an appeal of the Final
4 Approval; or (c) if any appeals of the Final Approval are filed, the day following the expiration of
5 time to further appeal an order affirming the Final Approval.

6 11. “Final Approval” means the Court order granting approval of a class action settlement.

7 12. “Gross Settlement Amount” means the maximum settlement amount of Seven Hundred
8 Fifty Thousand Dollars (\$750,000) to be paid by Defendants in full satisfaction of all claims arising
9 from the Action. The Gross Settlement Amount includes all Individual Settlement Payments to Class
10 Members, the Class Representative Enhancement Payment, Administration Expenses, Class Counsel
11 Fees and Cost, and LWDA Payment. Defendants will pay the employer's share of payroll taxes, as
12 applicable, in addition to the Gross Settlement Amount. If the number of Vacation Class members
13 exceeds one hundred and eighty (180), 50% of the Gross Settlement Amount shall be proportionally
14 increased. If the number of wage statements issued to the Wage Statement Class between May 29,
15 2019 through August 9, 2020, exceeds 14,326, 50% of the Gross Settlement Amount shall be
16 proportionally increased.

17 13. “Individual Settlement Payment” means each Class Member’s share of the Net
18 Settlement Amount, to be distributed to Plaintiff and Class Members.

19 14. “LWDA Payment” means the payment of 75% of PAGA penalties to the Labor
20 Workforce Development Agency (“LWDA”). The remaining 25% of PAGA penalties shall be paid to
21 Class Members. The Parties shall seek approval to allocate Twenty Thousand Dollars (\$20,000) of the
22 Gross Settlement Amount to PAGA penalties.

23 15. “Net Settlement Amount” means the maximum amount available for distribution to the
24 Class Members, after deduction of Class Counsel Fees and Costs, Class Representative Enhancement
25 Payment, Administration Expenses, and LWDA Payment from the Gross Settlement Amount.

26 16. “Notice” means the Notice of Class Action Settlement, substantially in the form
27 attached as Exhibit A.
28

17. “Preliminary Approval” means the Court order granting preliminary approval of the Agreement.

18. “Released Claims” means and includes:

18(a) Settlement Class Members of the Wage Statement Class shall release claims for violations of California Labor Code § 226 for the period of May 29, 2019 through August 9, 2020.

18(b) Settlement Class Members of the Vacation Class shall release claims for violations of California Labor Code §§ 201-203 and 227.3, as well as derivative violations of Business & Professions Code § 17200 predicated on the change in employer name.

18(c) Class Members shall release claims for PAGA penalties based on the above violations of California Labor Code §§ 201-203, 226, 226.3, and 227.3.

19. “Released Parties” means Defendants and all of its current and former owners, officers, directors, managers, members, employees, agents, representatives, subsidiaries, parents, affiliates, predecessors, successors, joint venturers, co-owners, co-employers, joint employers, payroll providers, attorneys, insurers, and reinsurers.

20. “Response Deadline” means the deadline by which Class Members must postmark to the Administrator a valid Request for Exclusion, written objections to the settlement, or dispute workweeks. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice by the Administrator.

21. “Settlement” means the class action and PAGA settlement of this Action upon Final Approval.

22. “Settlement Class Members” means Class Members who do not exclude themselves from the class action settlement by complying with the procedures set forth in the Class Notice to opt out of the class action settlement.

TERMS OF AGREEMENT

Plaintiff, on behalf of herself and Class Members, and as a proxy for the State of California,
and Defendants agree as follows:

23. Impact of Any Court Determination Not to Enter Final Approval. In the event that the Court does not enter Final Approval and this Agreement does not become effective, the status of the Action will be deemed to return to its status at the time immediately prior to and as if the Parties had never executed this Agreement.

24. Settlement Funding. The Gross Settlement Amount shall be paid as follows: (1) first installment payment of 50% of the Gross Settlement Amount will occur within thirty (30) days of Preliminary Approval; and (2) second installment payment of 50% of the Gross Settlement Amount will occur three-hundred and sixty five (365) days from the date of the first installment payment. The first and second installment payments shall be deposited with the Administrator who will deposit the funds into an interest-bearing trust account until the Administrator is authorized to distribute money in accordance with the terms of this Agreement. The employer's share of the payroll taxes, which shall be paid in addition to the Gross Settlement Amount, for the installment payments will be made with the assistance of the Administrator to calculate the appropriate amount of the employer's share of the payroll taxes.

25. Class Counsel Fees and Costs. Class Counsel will request attorneys' fees of up to 33⅓% of the Gross Settlement Amount, or Two Hundred Fifty Thousand Dollars (\$250,000), and litigation costs and expenses not to exceed Fifteen Thousand Dollars (\$15,000). Defendants have agreed not to oppose Class Counsel's request for Class Counsel Fees and Costs. Plaintiffs and Class Counsel waive any and all claims to any further attorneys' fees and expenses in connection with the Action.

26. Class Representative Enhancement Payment. Plaintiff will request and Defendants will not oppose Plaintiff's request for a payment of Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment, which will be paid from the Gross Settlement Amount, will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all applicable taxes, penalties and interest on the payment made pursuant to this paragraph and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

1 27. Administration Expenses. The Administration Expenses are currently estimated to be
2 not more than Nine Thousand Five Hundred Dollars (\$9,500). If, for any reason, Final Approval does
3 not occur, Administration Expenses incurred by the Administrator shall be paid as follows: 50% by
4 Defendants and 50% by Plaintiff. The Administration Expenses will be paid from the Gross
5 Settlement Amount.

6 28. Net Settlement Amount. The Net Settlement Amount shall be distributed as PAGA
7 penalties to Class Members and Individual Settlement Payments to Settlement Class Members in
8 accordance with the terms of this Agreement. The 25% of PAGA penalties distributable to Class
9 Members shall be allocated to Class Members in equal amounts. Class Members may not opt out of
10 the settlement for PAGA penalties.

11 29. Individual Settlement Payment Calculations. The remaining portion of the Net
12 Settlement Amount shall be allocated to Settlement Class Members as follows:

13 29(a) 50% of such funds shall be allocated to the Wage Statement Class, and 50%
14 of such funds shall be allocated to the Vacation Class.

15 29(b) The Administrator will divide the funds allocated to the Wage Statement
16 Class by the total number of workweeks for all Settlement Class Members in
17 the Wage Statement Class ("Work Week Rate Amount"). Each such
18 Settlement Class Member's number of workweeks shall be multiplied by the
19 Work Week Rate Amount to determine that Settlement Class Member's
20 allocation from the Wage Statement Class.

21 29(c) The Administrator will divide the funds allocated to the Vacation Class by
22 the total number of Settlement Class Members in the Vacation Class. Each
23 such Settlement Class Member shall be allocated this amount from the
24 Vacation Class.

25 30. No Credit Toward Benefit Plans. All payments to Class Members shall be deemed to be
26 income to such Class Members solely in the year in which such awards actually are received by the
27 Class Members. It is expressly understood and agreed that the receipt of such payments will not entitle
28 any Class Member to additional compensation or benefits under any company bonus, paid time off

(including vacation and sick leave), or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the payments provided for in this Agreement are the sole payments to be made by Defendants to the Class Members in connection with this Settlement, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

31. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

32. Notice by First-Class U.S. Mail. Within five (5) calendar days after receiving the Class List from Defendants, the Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail. Prior to mailing, the Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address. If no forwarding address is provided, the Administrator will promptly attempt to determine the correct address using a single skip-trace and will then perform a single re-mailing.

33. Objection Right and Effect. Settlement Class Members shall be given the opportunity to object to the terms of the settlement. Settlement Class Members may object to the settlement by mailing to the Administrator an objection within 45 calendar days after the postmark date of the initial mailing of Notice, which includes (1) the objector's full name, signature, address, and telephone number; (2) a written statement describing all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents or witnesses upon which the objection is based; (4) a list of all persons who will be called to testify in support of the objection; and (5) and states any intention to appear at the final approval hearing. Alternatively, Settlement Class Members may appear at the final approval hearing to object to the settlement at his

1 or her expense. Any Settlement Class Member who does not comply with the objection procedures in
2 the Notice shall be deemed to have waived any objections and shall be foreclosed from making any
3 objection, whether by appeal or otherwise, to the settlement. Settlement Class Members who object to
4 the settlement pursuant to the terms of the Notice shall remain subject to being bound by the release
5 provisions in this Agreement pursuant to Final Approval and shall remain eligible to receive an
6 Individual Settlement Payment. The Administrator shall provide a copy of any objection received to
7 Class Counsel and Defendant's Counsel upon receipt. Either of the Parties may file a response to any
8 written objection no later than five court days before the final approval hearing.

9 34. Opt-Out Right and Effect. Class Members shall be given the opportunity to opt out of
10 the settlement. Class Members may opt out of the settlement by timely mailing to the Administrator a
11 "Request for Exclusion," as defined in the Notice to be sent to Class Members (and attached hereto as
12 Exhibit A), to express their desire to be excluded from the Settlement Class. Any Request for
13 Exclusion that does not comply with the procedures in the Notice shall be deemed void and
14 ineffective. Class Members who opt out of the settlement pursuant to the terms of the Notice shall not
15 receive any Individual Settlement Payments other than for PAGA penalties, shall not be bound by the
16 Wage Statement Class and Vacation Class release provisions in this Agreement pursuant to Final
17 Approval, and shall not be permitted to object to the settlement or appeal. The Parties to this
18 Agreement and their counsel agree that they will not solicit or encourage Class Members to opt out or
19 object to this Agreement. If a Class Member submits both a Request for Exclusion and an objection,
20 the Administrator shall attempt to determine whether the Class Member would like to withdraw either
21 the Request for Exclusion or the objection. If the Class Member does not withdraw a Request for
22 Exclusion, or if the Administrator cannot contact the Class Member who submits both a Request for
23 Exclusion and an objection, the Request for Exclusion shall be deemed valid and shall be deemed to
24 invalidate the objection.

25 35. Certification of Notice. As soon as practicable after the end of the consideration period,
26 the Administrator shall provide a declaration attesting to (by number of relevant individuals), its
27 mailing of Notice, its inability to deliver Notice due to invalid addresses, and its receipt of valid
28 Requests for Exclusion or objections. The Administrator shall prepare any supplemental declarations

1 regarding the administration of the settlement, as necessary or as jointly requested by the Parties or the
2 Court.

3 36. Timing of Distribution of Payments. Within three (3) calendar days of the Effective
4 Date and the due date for Defendants to deposit the second installment payment (which shall include
5 the employer's share of payroll taxes, as set forth above), the Administrator will issue all payments
6 approved by the Court in connection with the Settlement.

7 37. Uncashed or Undeliverable Settlement Checks. Individual settlement checks paid to
8 Class Members will be valid for 180 days. Class Members will have one hundred eighty (180)
9 calendar days from the date of issuance of the check to cash their check. For any check not cashed
10 after 180 calendar days, the Administrator will send the amount represented by the check to the
11 California State Controller Unclaimed Property, with the identity of the Class Member to whom the
12 funds belong, to be held for the Class Member per California Unclaimed Property Law, in the interest
13 of justice. The money paid to the California State Controller Unclaimed Property will remain the
14 Class Member's property. This will allow Class Members who did not cash their checks to collect
15 their Individual Settlement Amounts at any time in the future. Therefore, there will be no unpaid
16 residue or unclaimed or abandoned class member funds, and the California Code of Civil Procedure
17 section 384 shall not apply. The funds will be held by the State until claimed, and the uncashed check
18 never ceases to be the employee's property.

19 38. Certification of Completion. Upon completion of administration of the Settlement, the
20 Administrator will provide a written declaration under oath to certify such completion to the Court and
21 counsel for all Parties.

22 39. Treatment of Individual Settlement Payments. Individual Settlement Payments will be
23 allocated as follows: 100% of payments to the Wage Statement Class and 90% of payments to the
24 Vacation Class shall be classified as interest and non-wage statutory damages and reported on an IRS
25 Form-1099 and the remaining 10% of payments to the Vacation Class shall be classified as wages and
26 will be reported on an IRS Form W-2.

27 40. Administration of Taxes by the Administrator. The Administrator will be responsible
28 for issuing any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant

to this Agreement. The Administrator will also be responsible for forwarding all payroll taxes and other legally required withholdings, and related reporting, to the appropriate government authorities.

41. Defendants' Responsibility for Employer Taxes: For any portion of the Class Members' Individual Settlement Payments that are designated as "wages" for purposes of tax reporting, the employer's taxes, employer contributions of all federal, state, and local taxes (including, but not limited to, FICA, FUTA, and SDI), will be paid in addition to the Gross Settlement Amount, via and with the Administrator's assistance.

42. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS 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); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS 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 THE ACKNOWLEDGING PARTY; AND (3) 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 THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY

TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

44. Release of Claims by Class Members. Upon the date of Final Approval, all Class Members will have deemed to have fully, finally and forever released, settled, compromised, relinquished, waived, and discharged any and all of the Released Parties of and from any and all Released Claims pertaining to PAGA penalties.

45. Release of Claims by Settlement Class Members. Upon the date of Final Approval, all Settlement Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, waived, and discharged any and all of the Released Parties of and from any and all Released Claims. In addition, upon the date of Final Approval, all Settlement Class Members and their successors in interest will be barred from prosecuting or participating in any and all Released Claims against the Released Parties.

46. Release by Plaintiff. Upon the date of Final Approval, in addition to the claims being released by all Class Members, Plaintiff will provide the following additional general release (“General Release”) : Plaintiff, on her own behalf and on behalf of her heirs, spouse, executors, administrators, attorneys, agents and assigns, fully and finally release the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution of this Agreement. This General Release includes any unknown claims Plaintiff does not know or suspect to exist in her favor at the time of this General Release, which, if known by her, might have affected her settlement with, and release of, the Released Parties or might have affected her decision not to object to this Settlement or this Release. To the extent the foregoing releases are

1 releases to which Section 1542 of the California Civil Code or similar provisions of other applicable
2 law may apply, Plaintiff expressly waives any and all rights and benefits conferred upon her by the
3 provisions of Section 1542 of the California Civil Code or similar provisions of applicable law which
4 are as follows:

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

10 The significance of this release and waiver of Civil Code Section 1542 has been explained to Plaintiffs
11 by their respective counsel. Release by Plaintiff expressly excludes any claims for workers
12 compensation against Defendants.

13 47. Neutral Reference. Defendants agree that they will only provide a neutral reference for
14 Plaintiff should any prospective employers or anyone contact them regarding Plaintiff's employment.
15 Defendants shall only provide the dates of employment and Plaintiff's last job title held with
16 Defendants.

17 48. Nullification of Agreement. In the event that: (i) the Court does not finally approve the
18 settlement as provided in this Agreement; or (ii) the Settlement does not become final for any other
19 reason, then this Agreement and any documents generated to bring it into effect will be null and void.
20 Any order or judgment entered by the Court in furtherance of this Agreement will likewise be treated
21 as void from the beginning. In such case, the Agreement shall not be used or be admissible in any
22 subsequent proceedings, either in this Action, this Court, or any other Court or forum.

23 49. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
24 request the Preliminary Approval of the Agreement. Preliminary Approval shall provide for: (i)
25 conditional class certification for settlement purposes only, (ii) preliminary approval of the proposed
26 Agreement, (iii) distribution of Notice, and (iv) a date for a Final Approval hearing.

27 50. Final Approval Hearing and Entry of Judgment. A Final Approval hearing will be
28 conducted to determine the amounts properly payable for (i) Individual Settlement Payments; (ii)

1 Class Counsel Fees and Costs; (iii) the Class Representative Enhancement Payment; (iv) the LWDA
2 payment for PAGA penalties; and (v) all Administration Expenses. Class Counsel will be responsible
3 for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible
4 for drafting the attorneys' fees and costs application to be heard at the Final Approval hearing.

5 51. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
6 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present a proposed
7 Judgment to the Court for its approval. Pursuant to California Rules of Court, Rule 3.771(b), the
8 Administrator shall post on its website a copy of the Judgment for a period of thirty days from the date
9 the Court signs the Judgment. After entry of the Judgment, the Court will have continuing jurisdiction
10 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the
11 Agreement, (ii) settlement administration matters, and (iii) such post- Judgment matters as may be
12 appropriate under court rules or as set forth in this Agreement.

13 52. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
14 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
15 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

16 53. Entire Agreement. This Agreement and any attached Exhibits constitute the entirety of
17 the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
18 deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625
19 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to
20 be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
21 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
22 contradict the terms of this Agreement.

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

25 55. Authorization to Enter Into Agreement. Counsel for all Parties warrant and represent
26 they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to
27 take all appropriate action required or permitted to be taken by such Parties pursuant to this
28 Agreement to effectuate its terms and to execute any other documents required to effectuate the terms

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

6 56. Binding on Successors and Assigns. This Agreement will be binding upon, and inure to
7 the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

8 57. Execution and Counterparts. This Agreement is subject only to the execution of all
9 Parties. However, the Agreement may be executed in one or more counterparts. All executed
10 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
11 deemed to be one and the same instrument provided that counsel for the Parties will exchange among
12 themselves original signed counterparts.

13 58. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
14 Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
15 Agreement after arm's-length negotiations and in the context of adversarial litigation, taking into
16 account all relevant factors, present and potential. The Parties further acknowledge that they are each
17 represented by competent counsel and that they have had an opportunity to consult with their counsel
18 regarding the fairness and reasonableness of this Agreement.

19 59. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
20 the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
21 with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

22 60. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
23 Plaintiff or Class Counsel may appeal any reduction in the Class Counsel Fees and Costs below the
24 amount requested from the Court, and either party may appeal any court order that materially alters
25 the Agreement's terms.

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

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

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

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

14 65. Representation By Counsel. The Parties acknowledge that they have been represented
15 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
16 Agreement has been executed with the consent and advice of counsel.

17 66. All Terms Subject to Final Court Approval. Except as otherwise stated, all amounts and
18 procedures described in this Agreement will be subject to final Court approval.

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

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

27 69. No Admission of Liability. Nothing contained in this Agreement shall be construed or
28 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.

Each of the Parties has entered into this Agreement with the intention to avoid further disputes and litigation, and the attendant inconvenience and expense, and to fully and forever buy their respective peace. This Agreement shall be inadmissible in evidence in any action or proceeding, by any party, except an action or proceeding by one of the Parties to approve, interpret, or enforce the Agreement's terms.

70. Communications. The Parties and their counsel agree that they will not publicize or issue or post any press releases, advertising, or marketing, or initiate any contact with the media about this case or the parties involved, including the fact, amount, or terms of the Settlement. If counsel for either Party receives an inquiry about the Settlement from the media, counsel may only respond that a settlement has been reached. Before the date on which the Parties file their motion for preliminary approval of the Settlement, Plaintiff and her Class Counsel will not initiate any contact with Class Members about the Settlement, except that, if contacted by a Class Member, they may respond that a settlement has been reached and that the details will be communicated in a forthcoming Court-approved notice.

71. Disputes. Any dispute between the Parties concerning the interpretation or implementation of this Agreement will be resolved by the Court. Prior to any such resort to the Court, counsel for the Parties will confer in good faith to resolve the dispute. If the Parties are unable to resolve the dispute themselves, the dispute will be submitted to Hon. Steven R. Denton (Ret.) for mediation before being submitted to the Court, unless the Parties agree otherwise.

72. Applicable Law. All terms and conditions of this Stipulation and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

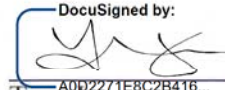
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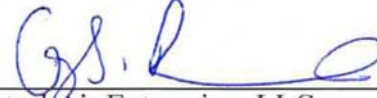
PLAINTIFF

2/10/2022
Dated: ~~January~~, 2022

DocuSigned by:

Tara Joy

DEFENDANT

Dated: February 2, 2022


Control Air Enterprises LLC
By: Greg Rummel
Its: CFD

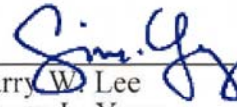
DEFENDANT

Dated: February 2, 2022


Control Air Conditioning Corp.
By: Greg Rummel
Its: CFD

COUNSEL FOR PLAINTIFF AND CLASS

2/10/2022
Dated: ~~January~~, 2022


Larry W. Lee
Simon L. Yang
DIVERSITY LAW GROUP, P.C.

COUNSEL FOR DEFENDANT

Dated: February 2, 2022


Ann K. Smith
Sarkis A. Atoyan
ATKINSON, ANDELSON, LOYA, RUUD & ROMO

EXHIBIT A

This notice is being sent pursuant to court order. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION SETTLEMENT

Tara Joy v. Control Air Enterprises LLC et al.,

Superior Court of the State of California for the County of Orange Case No. 30-2020-01155488-CU-OE-CXC

If you (i) ended employment with Control Air Conditioning Corporation on May 31, 2019 in California, or (ii) were a non-union employee of Control Air Enterprises LLC in California and issued a wage statement between May 29, 2019, through August 9, 2020, you could receive a payment from a class action settlement.

Read this notice carefully, as your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of Orange (the “Court”) has preliminarily approved a class action settlement that could affect your rights. The proposed settlement resolves a class and representative action lawsuit filed by Plaintiff, Tara Joy, against Defendants Control Air Enterprises LLC and Control Air Conditioning Corporation, and designated Orange County Superior Court Case No. 20-CIV-03660 (the “Action”).

- The Action pursues class action claims as well as representative action claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”). On behalf of a “Wage Statement Class,” the Action alleges Defendants failed to provide lawful wage statements that showed the name and address of the legal entity that was the employer. On behalf of a “Vacation Class,” the Action alleges Defendants failed to timely pay all wages, including accrued vacation, upon the end of employment with Control Air Conditioning Corporation on or about May 31, 2019.
- Defendants deny Plaintiff’s allegations and maintain they have fully complied with the law and have entered into the settlement solely for purposes of resolving this dispute. By agreeing to a settlement, Defendants in no way admit any violation of law or any liability whatsoever to Plaintiff or others and expressly denies all such liability. Both Plaintiff and Defendants have agreed to a settlement in light of all known facts and circumstances—including the uncertainty associated with litigation.
- If the proposed settlement is granted final approval by the Court, it would provide cash payments to Settlement Class Members. Payments to the Wage Statement Class will be allocated based on the number of workweeks each Settlement Class Member worked from May 29, 2019, through August 9, 2020. Payments to the Vacation Class will be allocated in equal amounts to Vacation Class Settlement Class Members.
- Based on Defendants’ records, [you were a Vacation Class Member and] [you worked XXX workweeks relevant to the Wage Statement Class], and an *estimate* of the amount that could be allocated to you is \$XXX. Whether you receive a payment depends on whether the Court grants final approval, and the actual amount you would be allocated depends on the terms the Court finally approves.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Settlement Payment if the Court grants final approval of the settlement and will be bound by the release provisions of the settlement.
OPT OUT	You may opt out of the class action settlement by submitting a Request for Exclusion. If you opt out, you may not object to the settlement, will not be eligible to receive an Individual Settlement Payment, and will not be bound by the release provisions of the settlement. You will still receive any PAGA penalties allocated to you.
OBJECT	You may object to the class action settlement by submitting a written objection or appearing at the approval hearing. If the Court grants final approval despite your objection, you will remain eligible to automatically receive an Individual Settlement Payment if the Court grants final approval of the settlement and will be bound by the release provisions of the settlement.

THE COURT DOES NOT EXPRESS ANY OPINION AS TO THE MERITS OF THE CLAIMS.

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at (xxx) xxx-xxxx.

1. Why Did I Receive This Notice?

You are receiving this Notice of Class Action Settlement (the “Notice”) because Defendants’ records show that you are a “Class Member” or “Aggrieved Employee” because you (i) ended employment with Control Air Conditioning Corporation on May 31, 2019 in California, or (ii) were a non-union employee of Control Air Enterprises LLC in California and issued a wage statement between May 29, 2019, through August 9, 2020. As a Class Member, you may be entitled to share in the funds to be made available for the class action settlement. As an Aggrieved Employee, you may be entitled to share in the funds to be made available for the PAGA settlement.

Because the settlement preliminarily approved by the Court would affect Class Members’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Action, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the settlement. If finally approved by the Court, the settlement will fully resolve the Action and your legal rights may be affected by the settlement.

The Court has preliminary approved Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., Roger R. Carter of The Carter Law Firm, and Marc H. Phelps of The Phelps Law Group as Class Counsel. Based on their investigation and evaluation, they are of the opinion that the terms of settlement are fair, reasonable, adequate, and in the best interests of Class Members. The terms of the settlement are set forth in detail in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement”). You may obtain a copy of the Agreement from the Phoenix Settlement Administrators, a neutral third-party appointed by the Court to administer the settlement (the “Administrator”).

2. What Is the Action About?

On August 17, 2020, Plaintiff, on behalf of herself and all others similarly situated, and as a proxy for the State of California, filed a complaint in the Superior Court of the State of California for the County of Orange. On February [xxx], 2022, Plaintiff filed a first amended complaint. The operative complaint alleges violations of Labor Code sections 201-203, 226(a), and 227.3 for failure to provide lawful wage statements and failure to timely pay all wages, including accrued vacation, upon the end of employment.

Defendants deny and continue to deny (i) all of the allegations made by Plaintiff, (ii) that it violated any applicable laws, or (iii) that it is liable or owes damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Defendants have agreed to settle the Action, to avoid the burden, expense, and uncertainty of continuing the Action.

3. What Are the Payments Under the Settlement?

Defendants agree to pay a Gross Settlement Amount of \$750,000. If there are more than 180 Vacation Class Members, 50% of the Gross Settlement Amount shall be proportionally increased. If more than 14,326 wage statements issued to the Wage Statement Class between May 29, 2019 through August 9, 2020, 50% of the Gross Settlement Amount shall be proportionally increased.

The Gross Settlement Amount is inclusive of any Administration Expenses, Class Counsel Fees and Costs, Class Representative Enhancement, and LWDA Payment awarded by the Court. The Court may approve payment of (i) Administration Expenses to the Administrator for administering the settlement (e.g., printing, distributing, or tracking Notices, processing any required tax payments, distributing payments, etc.); (ii) Class Counsel Fees and Costs to Class Counsel for litigation and resolution of the Action; (iii) a Class Representative Enhancement to Plaintiff both for her efforts in prosecuting the Action for Class Members and in consideration of Plaintiff’s additional general release of claims inapplicable to Settlement Class Members; and (iv) an LWDA Payment to the Labor Workforce Development Agency (“LWDA”) for its share of PAGA penalties set by the Labor Code. Class Members will be entitled to equal shares of PAGA penalties distributable to aggrieved employees.

The remainder, or the Net Settlement Amount, will be allocated entirely to Individual Settlement Payments.

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at (xxx) xxx-xxxx.

Individual Settlement Payments: 50% of the Net Settlement Amount shall be allocated to the Wage Statement Class, and 50% of the Net Settlement Amount shall be allocated to the Vacation Class. Individual Settlement Payments shall be distributed to Settlement Class Members, without the need to submit a claim form.

Payments to the Wage Statement Class will be allocated based on the number of workweeks each Settlement Class Member worked from May 29, 2019, through August 9, 2020. Payments to the Vacation Class will be allocated in equal amounts to Vacation Class Settlement Class Members. In addition, PAGA penalties distributable to Class Members shall be allocated to Class Members in equal amounts.

10% of payments to the Vacation Class shall be classified as wages and reported on an IRS Form W-2. All other settlement payments shall be classified as interest and non-wage statutory damages. By participating in the settlement, each Class Member shall agree to be solely and legally responsible for paying all other applicable taxes on their respective Individual Settlement Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

All uncashed or undeliverable settlement checks will expire 180 days after the postmarked date of their initial mailing. After 180 days, the Administrator will send the amounts represented by the uncashed or undeliverable checks to the California State Controller Unclaimed Property, with the identity of the Class Member to whom the funds belong, to be held for the Class Member per California Unclaimed Property Law.

Class Counsel Fees and Costs: You do not need to individually pay any portion of Class Counsel's attorneys' fees and costs. Any payments for those attorneys' fees and costs will be determined by the Court. Class Counsel intends to request that the Court approve Class Counsel Fees and Costs in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$250,000) and (b) litigation costs.

Class Representative Enhancement: Any Class Representative Enhancement is to be determined by the Court and would be supplemental to Plaintiff's Individual Settlement Payment. Class Counsel intends to request that the Court approve a Class Representative Enhancement of \$10,000 for Plaintiff's efforts in prosecuting the Action for Class Members and in consideration of Plaintiff's additional general release of claims inapplicable to Settlement Class Members.

Administration Expenses: Class Counsel intends to request that the Court approve Administration Expenses of up to \$9,500, payable to the Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing Individual Settlement Payments.

All Payments Subject to Court Approval: Any payments will be made if and only if the Court concludes the settlement is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendants and all of its current and former owners, officers, directors, managers, members, employees, agents, representatives, subsidiaries, parents, affiliates, predecessors, successors, joint venturers, co-owners, co-employers, joint employers, payroll providers, attorneys, insurers, and reinsurers ("Released Parties") as follows: The Wage Statement Class shall release claims for violations of Labor Code section 226 for the period of May 29, 2019 through August 9, 2020. The Vacation Class shall release claims for violations of California Labor Code sections 201-203 and 227.3, as well as derivative violations of Business & Professions Code section 17200 predicated on the change in employer name.

Upon approval, all Class Members shall release claims for PAGA penalties based on the above violations of Labor Code section 201-203, 226, 226.3, and 227.3.

5. How Do I Object to the Class Action Settlement?

If you want to participate in the class action settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will receive your Individual Settlement Payment automatically if the Court grants final approval of the settlement.

However, if you want to object to the class action settlement, you may appear at the final approval hearing to object to the settlement. Alternatively, you must take the steps below:

- (1) You must mail a written statement to the Administrator listed below.
- (2) The written statement must include: your name, address, last four digits of your Social Security number, and the basis for your objection.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by [45 calendar days after the initial mailing of Class Notice].

If you object, you will remain bound by the class action settlement if finally approved. If you do not want to be bound by the class action settlement if finally approved, you must opt out of the class action settlement.

6. How Do I Opt Out of the Class Action Settlement?

If you do not want to participate in the class action settlement, you may opt out of the class action settlement. If you opt out of the class action settlement, you may not object to the class action settlement, shall not receive any Individual Class Payments, and shall not be bound by the class action release provisions of the settlement.

In order to opt out, you MUST express your desire to be excluded from the class action settlement by mailing to the Administrator a "Request for Exclusion," which must state "Request for Exclusion," include your name, current address, current telephone number, last four digits of your social security number, and clearly state that you do not wish to be included in the settlement. Any such Request for Exclusion must be postmarked by [45 calendar days after the initial mailing of Class Notice].

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

7. Where Can I Get Additional Information?

This notice summarizes the Action, settlement, and related matters. For more information, you may contact the Administrator at (xxx) xxx-xxxx, or Class Counsel:

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lwlee@diversitylaw.com

Simon L. Yang

sly@diversitylaw.com

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Los Angeles, California 90071

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Facsimile: (213) 488-6554

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Roger R. Carter (SBN 140196)

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Telephone: (949) 409-1211

Facsimile: (949) 629-2501

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Settlement Administrator at (xxx) xxx-xxxx.