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

STEVE DIAB QAWAS, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

SOCAL FRAMING, INC., a California
Corporation; and DOES 1 through 100,

Defendants.

CASE NO. RIC1902588

*[Case assigned for all purposes to the Hon.
Sunshine S. Sykes, Dept. 6]*

**DECLARATION OF FLETCHER W.
SCHMIDT IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: February 24, 2021
Time: 8:30 a.m.
Dept.: 6

Reservation: RES243098

Action Filed: April 23, 2019
Trial Date: None Set

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I, Fletcher W. Schmidt, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for the named Plaintiff proposed Class Representative Steve Diab Qawas (“Plaintiff”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice law in this Court. I have personal knowledge of the facts stated in this declaration and could testify truthfully to them if called upon to do so.

2. I am a 2012 graduate of Loyola Law School, Los Angeles, where I graduated *cum* and was awarded membership in the Order of the Coif. Since graduating from law school, and as a law clerk for the law firm of Tredway, Lumsdaine & Doyle, where I was part of the team for two class actions, including one wage and hour class action in Los Angeles Superior Court. From August 2013 to March 2016, I worked as an associate attorney at Osher & Luftman LLP. Since March 2016 I have worked at my current firm, Haines Law APC, where, in 2018, I became a Partner.

3. During my time with Boren, Osher & Luftman LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side wage and hour class actions in Pennsylvania state and federal court. I am currently responsible for managing a caseload of over 30) active wage and hour class actions in which I am integrally involved in all aspects of litigation.

4. The following is a non-exhaustive list of class action settlements in which I have served as Class Counsel, and which have been granted final approval:

- *Julio v. Anthony, Inc.*, Case No. CV14-03172 AB (SHx), United States District Court, Central District of California, Honorable Judge Andre Birotte, Jr. presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Litt v. Western Stone & Metal Corp.*, Case No. 3:14-cv-02804-PJH, United States District Court, Northern District of California, Honorable Judge Phyllis J. Hamilton presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);

- *Rubalcava v. United Towing and Transport Burbank, et al.*, Case No. BC518468, California Superior Court, County of Los Angeles, Honorable Judge Kenneth Freeman presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015);
- *Rivera Regalado v. Jaguar Farm Labor Contracting*, Case No. CV 130569, California Superior Court, County of San Luis Obispo, Honorable Martin J. Tangeman presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Sanchez v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles, Honorable John S. Wiley presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015);
- *Rodas v. Gateways Hospital and Mental Health Center*, Case No. BC503179, California Superior Court, County of Los Angeles, Honorable Judge Amy D. Hogue presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Shaw v. Conant Auto Retail, San Diego*, Case No. 37-2014-00044052-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Joan M. Lewis presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016);
- *Tirado v. Ricon Corp.*, Case No BC537042, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr. presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016);
- *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, County of Santa Clara, Honorable Peter H. Kirwan presiding (approving an hourly rate of \$375 for work performed in 2013, 2014, 2015, and 2016);
- *Lopez v. RM HQ LLC, et al.*, Case No. BC525592, California Superior Court, County of Los Angeles, Honorable Elihu M. Berle presiding (approving an hourly rate of \$375

for work performed in 2013, 2014, 2015, and 2016);

- *Horta v. Searles Valley Minerals, Inc.*, Case No. CIVDS 1507615, California Superior Court, County of San Bernardino, Honorable Donald Alvarez presiding (approving an hourly rate of \$375 for work performed in 2015 and 2016);
- *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC, et al.*, Case No. 30-2016-00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge Thierry Patrick Colaw presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Nieves v. Ta Chen International, Inc.*, Case No. BC609005, Superior Court of California, County of Los Angeles, Honorable Judge Kenneth R. Freeman presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Berkel v. Pride Bakeries, LLC*, Case No. 30-2017-00923148-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge William Cluster presiding (approved at an hourly rate of \$425 for work performed in 2017 and 2018);
- *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Cluster presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018);
- *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018);
- *Sandra Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren

1 E. Nelson presiding (approving an hourly rate of \$425 for work performed in 2016,
2 2017, and 2018);

- 3 • *Tina Arellano v. Williams Sonoma Stores, Inc.*, Case No. BC693760, Los Angeles
4 County Superior Court, Honorable Daniel J. Buckley, presiding;
- 5 • *William Cuellar v. UMA Enterprises, Inc.*, Case No. BC657146, Los Angeles County
6 Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of
7 \$475 for work performed in 2017, 2018 and 2019);
- 8 • *Maria C. Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No.
9 BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding
10 (approving an hourly rate of \$475 for work performed in 2018 and 2019);
- 11 • *Arturo Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles
12 County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly
13 rate of \$595 for work performed in 2018, 2019 and 2020);
- 14 • *Ramon Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San
15 Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an
16 hourly rate of \$595 for work performed in 2017-2020); and
- 17 • *Michael Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San
18 Bernardino County Superior Court, Honorable David Cohn, presiding (approving an
19 hourly rate of \$595 for work performed in 2019 and 2020).

20 5. I have also moved to certify and have received an order certifying a class action
21 and/or conditionally certifying a collective action as Class Counsel in the following cases:

- 22 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-
23 OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A.
24 Andler presiding (certifying a class of employees who were misclassified as
25 independent contractors);
- 26 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx),
27 United States District Court, Central District of California, Honorable Judge Beverly
28

Reid O’Connell presiding (conditionally certifying an unpaid FLSA overtime wage class);

- *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter presiding (certifying a rest period violation class and conditionally certifying a FLSA unpaid overtime wage class);
- *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr. presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court, Eastern District of California, Honorable Judge Jennifer L. Thurston presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge William Cluster presiding (certifying unpaid overtime wage class and waiting time penalty class);
- *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-00775372-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Glenda Sanders presiding (certifying five separate classes for claims for unpaid wages, unreimbursed expenses, failure to authorize and permit rest periods, and derivative claims);
- *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); and
- *Staublein v. Wells Fargo Bank, National Association*, Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

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1 6. In 2018, 2019, and 2020, Thomson Reuters and Los Angeles Magazine recognized
2 me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super
3 Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys
4 under the age of forty in Southern California each year.

5 7. As counsel for Plaintiff, I have been intimately involved in all aspects of this
6 litigation from its inception and believe that the proposed Settlement is a fair and reasonable result
7 for the Class Members.

8 8. Socal Framing provides framing and home renovation services throughout
9 Riverside County, California. Plaintiff, like all other Settlement Class members, was an employee
10 of Socal Framing and worked in California during the Class Period.

11 9. Many employees in the framing industry, like the Settlement Class members, work
12 sporadically throughout their employment. This leads to a relatively large number of potential
13 Settlement Class members when compared to the total workweeks worked. To ensure that
14 individuals who experienced more Labor Code violations will receive a greater share of the Net
15 Settlement Amount, the Settlement utilizes workweeks worked (as opposed to time employed) to
16 calculate Individual Settlement Payments.

17 10. Plaintiff alleges that throughout the Class Period, Socal Framing did not accurately
18 record employees' hours and employees were not compensated based on the actual hours they
19 worked. Instead, Socal Framing paid employees a pre-determined amount per square footage of
20 projects completed (*i.e.* framing a home). As a result of this piece-rate compensation system,
21 Plaintiff alleges that Socal Framing was required to separately compensate employees who were
22 paid on a piece-rate basis for so-called "non-productive" time (*i.e.* hours spent working but not
23 actually framing homes). Some examples of unpaid non-productive time experienced by Plaintiff
24 and other employees include: mandatory training and safety meetings, delays due to performing
25 maintenance on machines, refueling equipment and refilling supplies. Plaintiff also alleges that
26 Socal Framing failed to pay overtime wages to employees when they worked overtime hours.

27 11. Based on Plaintiff's experience, and corroborated by discussions with other
28 putative class members, Plaintiff determined that employees worked a total of 10 minutes of non-

productive time per shift, which was not compensated. Based on the documents provided by Socal Framing prior to mediation, Plaintiff also determined that putative class members worked a combined total of 219,367 shifts during the Class Period (69,420 workweeks x 3.16 shifts per workweek). The weighted average minimum wage in California during the relevant time period was \$10.79. Socal Framing's potential exposure for unpaid non-productive time is therefore \$395,284 (219,367 shifts x 0.167 hours per shift x \$10.79 average minimum wage). Plaintiff discounted Socal Framing's potential liability by 75% for a risk of non-certification, and by an additional 50% for risk of being unsuccessful on the merits, for a projected total of \$49,411.

12. Based on Plaintiff's investigation, Plaintiff believed he would be able to prove an average of at least one hour of overtime work per workweek, but recognized that further discovery could lead to a lesser figure. The average hourly rate of pay for employees during the relevant time period was calculated from the payroll records at \$30.67. Because Socal Framing did not pay any overtime wages during the Class Period, Plaintiff contends that Socal Framing is liable to putative class members for the overtime premium above the piece-rate pay amount (calculated as 0.5 x the average hourly rate). If Plaintiff could prove two hours of overtime work per workweek, Socal Framing's potential exposure for unpaid overtime wages would be \$1,064,903 (69,420 workweeks x 1 hour x \$15.34 average overtime premium). Plaintiff discounted Socal Framing's potential liability by 60% for a risk of non-certification, and by an additional 50% for the risk that this Court determines a lesser number of overtime hours were actually worked during the relevant time period, for a projected total of \$ \$212,981.

13. Socal Framing contends that it has paid all wages owed to employees, including overtime wages. Socal Framing argues that employees rarely, if ever, worked overtime hours, and Socal Framing argues that individualized inquires would be required to determine how long each employee actually worked on any given day, posing an obstacle to certification. Socal Framing also contends that employees experienced minimal (if any) uncompensated "non-productive" time as the majority of alleged non-productive activities were directly related to the piece-rate task of framing homes. Socal Framing maintains that certification on the non-productive time claim is unlikely because questions of non-productive time would be highly individualized given

1 Plaintiff's argument that Socal Framing did not accurately account for the time spent on the
2 majority of the alleged non-productive tasks.

3 14. Plaintiff contends that, despite including a line item for rest and recovery payments
4 on wage statements, Socal Framing did not actually separately compensate employees for
5 required rest periods when they were compensated on a piece-rate basis, but rather just allocated
6 a portion of the predetermined piece-rate wages as rest and recovery pay on the wage statements.
7 As a result, Plaintiff maintains that Socal Framing is liable for rest period premiums for each
8 workday in which at least one rest period was not separately compensated. Using the daily
9 timesheets provided for mediation, Plaintiff determined that, on average, employees worked 3.16
10 shifts per workweek and would be entitled to at least one rest period for each of these shifts.
11 Because only one rest period premium is recoverable per workday, Socal Framing's potential
12 exposure for its failure to separately compensate rest periods is \$6,727,992 (69,420 workweeks x
13 3.16 shifts per workweek x \$30.67 average rest period premium). Plaintiff discounted Socal
14 Framing's potential liability by 40% for a risk of non-certification, and by an additional 75% for
15 the risk that Socal Framing could prevail on the merits outright, or at least succeed in establishing
16 a lower damages measures, for a projected total of \$1,009,199.

17 15. Socal Framing argues that it does separately compensate employees paid on a
18 piece-rate basis for rest periods and such payments were noted on wage statements as "Rest &
19 Recovery." Socal Framing also contends that any liability for its alleged failure to separately
20 compensate employees working on a piece-rate basis for rest periods would be limited to back-
21 pay for the rest periods themselves (*i.e.* pay for the 10 minutes of rest) as opposed to the rest
22 period penalties under Labor Code section 226.7. To the extent that Plaintiff contends that the
23 "Rest & Recovery" payments are illusory, individualized inquires would be required to determine
24 how many hours an employee actually worked on any given day as well as whether an employee
25 actually took each rest period he was legally entitled to.

26 16. Plaintiff alleges that Socal Framing failed to provide timely 30-minute first meal
27 periods (commencing before the end of the fifth hour of work). Socal Framing contends that it
28 has always provided employees with legally-compliant first meal periods and that any meal

periods that did not meet that standard were solely the result of employee choice (not Socal Framing’s policy/practice). Socal Framing further argues that under *Brinker* it is only required to “provide” the opportunity to take meal periods, not “ensure” meal periods are taken – which Socal Framing contends it has always done. Finally, Socal Framing contends that Plaintiff’s meal period claim is not suited for class certification as individual inquiries would be required to assess which employees received non-compliant meal periods, how many meal periods were non-compliant or missed, and the reasons why a particular individual recorded a non-compliant meal period or missed a meal period on a particular shift, particularly so in light of Plaintiff’s challenges to the validity of the timekeeping records. Based on Plaintiff’s analysis of the timekeeping records, many of the daily timecards show first meal periods provided at legally-compliant intervals. Based on conversations with Plaintiff and other putative class members, Plaintiff estimates that approximately 20% of shifts were not provided with a legally-compliant first meal period. Plaintiff therefore calculates Socal Framing’s liability for meal period violations as \$1,345,598 (69,420 workweeks x 3.16 shifts per week x 20% violation rate x \$30.67 average meal period premium). Plaintiff discounted Socal Framing’s maximum exposure by 75% for the risk of non-certification and 50% for the risk of being unsuccessful on the merits or obtaining reduced damages, to arrive at an estimated exposure of \$168,200.

17. Plaintiff’s complaint also asserts that Socal Framing failed to provide second meal periods to employees who worked shifts in excess of 10.0 hours. However, after interviewing Plaintiff and other putative class members and reviewing their corresponding timesheets produced in furtherance of mediation, Plaintiff determined that putative class members generally worked shifts under 10.0 hours during the Class Period. This fact combined with putative class members’ ability to waive second meal periods for shifts between 10.0 and 12.0 hours led Plaintiff to conclude that the second meal period claim was not viable on a classwide basis.

18. As a result of these alleged substantive violations, Plaintiff contends that Socal Framing is liable for derivative wage statement violations, waiting time liability for its failure to pay employees all final wages upon separation of employment, and civil penalties under PAGA.

1 19. According to the data produced by Socal Framing, there were 32,841 wage
2 statements issued to approximately 837 putative class members during the one-year relevant time
3 period. Socal Framing’s potential exposure for wage statement penalties is therefore \$3,242,250
4 (837 “initial” violations x \$50.00 initial violation rate + 32,004 “subsequent” violations x \$100.00
5 subsequent violation rate). Plaintiff discounted Socal Framing’s potential liability by 50% for a
6 risk of non-certification, and by an additional 50% for the risk of losing on the merits or failing
7 to prove violations were ‘knowing and intentional,’ for a projected total of \$810,563.

8 20. There are approximately 394 putative class members who separated their
9 employment with Socal Framing during the three-year relevant time period. Socal Framing’s
10 potential exposure for waiting time penalties is therefore \$2,900,155 (394 former employees x
11 30.67 average hourly rate x 8 hours per workday x 30 days of waiting time penalty). Plaintiff
12 discounted Socal Framing’s potential liability by 50% for a risk of non-certification, and by an
13 additional 80% for the risk of losing on the merits or failing to establish wilfulness, for a projected
14 total of \$290,016.

15 21. Socal Framing argues that meal and rest period claims cannot support derivative
16 wage statement or waiting time penalties. Additionally, Socal Framing contends that the alleged
17 wage statement violations were not “knowing and intentional,” and that Plaintiff could not show
18 he “suffer[ed] injury,” as required by Labor Code section 226(e) for imposition of penalties. Socal
19 Framing contends that it possesses strong, good faith defense to Plaintiff’s underlying claims,
20 precluding recovery of waiting time penalties (which are only available for the “willful” failure
21 to pay wages). Socal Framing maintains that not all former employees (if any) experienced an
22 underpayment of wages, thus Plaintiff’s exposure analysis is overstated. Socal Framing contends
23 that any alleged failure to pay rest period premiums cannot support a derivative claim for wage
24 statement or waiting time penalties.

25 22. Labor Code section 2699(f)(2) provides for PAGA civil penalties in the amount of
26 \$100 for each aggrieved employee per pay period for the initial violation, and \$200 for each
27 aggrieved employee per pay period for each subsequent violation. However, courts have
28 interpreted section 2699(f)(2) to only impose the \$200 subsequent penalty after an employer has

1 been notified that its conduct violates the Labor Code. The success of Plaintiff's PAGA claim is
2 wholly dependent upon the success of his underlying claims occurring within the one-year
3 relevant time period. Assuming that Plaintiff could prove at least one substantive violation in each
4 pay period for the 1-year statute of limitations, Socal Framing's potential exposure for PAGA
5 civil penalties is \$3,284,100 (32,841 pay periods x \$100.00 "initial" violation rate). Plaintiff
6 discounted Socal Framing's potential liability by 50% for the risk of manageability issues
7 preventing the case from proceeding on a representative basis, and by an additional 80% to
8 account for the potential for this Court to reduce the civil penalties, for a projected total of
9 \$328,410.

10 23. Since Plaintiff's PAGA claim is derivative of the underlying wage claims, Socal
11 Framing asserts that the PAGA claim will fail with those claims. Socal Framing also maintains
12 that given its good faith defenses, this Court would exercise its discretion to substantially reduce
13 any PAGA penalties if it were to find Socal Framing liable for any of Plaintiff's claims.

14 24. Assuming Plaintiff would prevail on all of these claims for the entire Class Period,
15 Plaintiff calculates the total value of Socal Framing's violations at \$18,960,282. Taking Socal
16 Framing's defenses into account and using the reduced figures for each of the claims described
17 above, Plaintiff predicts that a realistic classwide recovery would be approximately \$2,868,778.
18 This Settlement provides a recovery to the Settlement Class of \$1,475,000.00, which is
19 approximately 51.42% of Plaintiff's projected potential recovery, while avoiding the further
20 expense and serious risk of proceeding towards class certification and trial.

21 25. In connection with mediation but prior to formal discovery, Socal Framing
22 provided Plaintiff with weekly timesheets and wage statements for approximately 10% of the
23 putative class period. Plaintiff then conducted an analysis of this data and created a
24 comprehensive damages model to calculate the likely exposure that Socal Framing faced on each
25 claim for the entire Class Period.

26 26. On April 23, 2020, the Parties participated in a mediation with Mark S. Rudy, a
27 respected wage and hour class action mediator in California. During mediation, the Parties
28 exchanged divergent views on Socal Framing's liability and exposure valuations, debated their

1 legal positions, and shared their arguments regarding the likelihood of certification of Plaintiff's
2 claims. As a result of a mediator's proposal from Mr. Rudy, the Parties were able to reach a
3 classwide agreement, subject to confirmatory discovery on Socal Framing's financial condition.
4 Plaintiff then retained a forensic accountant to analyze Socal Framing's business tax returns for
5 2015 through 2019 along with Schedule 1 forms showing Socal Framing's associated cash
6 reconciliation and bank account activity. Based on a review of these documents, Plaintiff's expert
7 concluded that Socal Framing could not support a settlement greater than \$1,475,000.00 without
8 significant detriment to its ongoing business operations. After the assessment of Socal Framing's
9 financial condition was completed, the Parties confirmed the classwide Settlement and
10 memorialized the terms into the Settlement Agreement. A true and correct copy of the Parties'
11 Stipulation of Settlement ("Settlement Agreement" or "Settlement") is attached hereto as **Exhibit**
12 **1**. A true and correct copy of the proposed Notice Packet (which is comprised of the Notice of
13 Class Action Settlement, Notice of Settlement Award, Request for Exclusion Form, and Objection
14 Form) is attached hereto as **Exhibit 2**.

15 27. After making a reasonable inquiry of Plaintiff and my law firm, I am not
16 independently aware of any other class, representative or other collective actions that are pending
17 in this or any other jurisdiction that asserts claims similar to those at issue here on behalf of any
18 individuals who fall into the proposed Settlement Class here.

19 28. Socal Framing's records as of the date of mediation indicate that there are
20 approximately 1,371 potential Settlement Class members who worked during the Class Period.
21 Based on the records provided for mediation purposes, there were approximately 69,420
22 workweeks worked during the Class Period. Based on the proposed allocations of the Net
23 Settlement Amount, Settlement Class members will receive average payments of approximately
24 \$655.79. The lowest potential Individual Settlement Payment that a Settlement Class member
25 could receive is estimated to be approximately \$12.95 (if the Settlement Class member only
26 worked a single pay period during the Class Period). The highest potential Individual Settlement
27 Payment that a Settlement Class member could receive is estimated to be approximately
28 \$3,846.15 (if the Settlement Class member worked every pay period during the Class Period).

1 29. Plaintiff will apply for an enhancement payment in the total amount of \$5,000.00
2 for his service to the Settlement Class and his general release of all claims (known or unknown)
3 against Socal Framing. Plaintiff's Enhancement Payment is intended to recognize the significant
4 benefits conferred upon the Settlement Class due to the time and effort that Plaintiff expended on
5 their behalf, including providing factual information and documents to attorneys at my firm,
6 identifying potential witnesses who also worked under the same compensation system and
7 experienced the same alleged Labor Code violations, and participating in meetings with attorneys
8 from my firm to discuss the claims and theories at issue in the litigation. Plaintiff's Enhancement
9 Payment is also requested due to the significant risks that Plaintiff undertook by agreeing to serve
10 as the named plaintiff in this case, as well as the fact that Plaintiff agreed to a general release of
11 all claims subject to a waiver of California Civil Code section 1542.

12 30. My firm will also apply for an attorneys' fee award of \$491,666.67 (one-third of
13 the Maximum Settlement Amount) and up to \$25,000.00 in verified costs. My firm incurred
14 substantial attorneys' fees conducting the pre-filing investigation, analyzing Plaintiff's claims,
15 conducting legal research and analysis into those claims, reviewing data and documents produced
16 by Socal Framing, building a comprehensive damages model, preparing for and attending
17 mediation, negotiating and preparing the long-form Settlement Agreement, preparing this motion
18 for preliminary approval, and otherwise litigating the case. My firm will also expend future
19 attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding
20 questions from Settlement Class members, drafting the Final Approval Motion along with
21 supporting documents, and attending the final approval hearing, among other tasks.

22 31. The Parties propose that this Settlement be administered by Phoenix Settlement
23 Administrators. The Parties obtained bids for administration from Phoenix Settlement
24 Administrators (\$16,750.00), Rust Consulting (\$16,875.00), and Simpluris (\$15,970.00). The
25 Parties agreed to use Phoenix based on its consistent track record and high-quality settlement
26 administration work performed for hundreds of class action settlements similar to this one.

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1 I declare under penalty of perjury under the laws of California and the United States that
2 the foregoing is true and correct. Executed on January 21, 2021, at El Segundo, California.

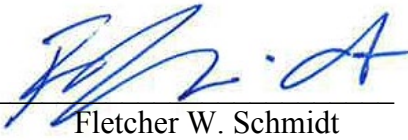
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5 Fletcher W. Schmidt

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Steve Diab Qawas (“Plaintiff” or “Class Representative”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Social Framing, Inc. (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC (collectively, “Class Counsel”). Defendant is represented by Spencer C. Skeen, Nikolas T. Djordjevski, and Yousaf M. Jafri of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

On or about April 23, 2019, Plaintiff filed a class action complaint against Defendant in Riverside County Superior Court titled *Steve Diab Qawas, et al. v. Social Framing, Inc.*, Case No. RIC1902588 (the “Action”). The Action alleges that Defendant: (i) failed to pay minimum wages; (ii) failed to pay overtime wages; (iii) failed to separately compensate all rest periods; (iv) failed to provide all meal periods; and (v) engaged in unfair and unlawful business practices.

On April 23, 2020, the Parties attended private mediation with Mark Rudy, Esq. and reached a classwide resolution of all claims at issue in the Action. As a material term of the Parties’ settlement, Plaintiff agrees to file a First Amended Complaint (“FAC”) which will add factual allegations and classwide causes of action for wage statement penalties (Labor Code § 226 *et seq.*), waiting time penalties (Labor Code §§ 201-203), and civil penalties under the Private Attorneys General Act (“PAGA”) (Labor Code § 2698 *et seq.*) based on the underlying Labor Code violations pled therein.

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees of Social Framing, Inc. who worked in California between April 23, 2015, and the date of preliminary approval of the settlement (the “Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties will revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who opt out) along with their respective heirs, beneficiaries, guardians, and assigns, will fully release and discharge Defendant, its officers, directors, employees, and agents (collectively, the “Released Parties”), as follows:

A. Settlement Class Members and their heirs, beneficiaries, guardians, and assigns, will release the Released Parties from any and all claims, causes of action, damages,

wages, benefits, expenses, penalties, debts, demands, obligations, attorneys' fees, costs and any other form of relief or remedy in law, equity, or whatever kind or nature alleged in the operative complaint in the Action (including any amendments thereto) or which could have been alleged based on the facts, circumstances, and primary rights alleged in the operative complaint in the Action, both on behalf of the Plaintiff and on behalf of the entire Settlement Class, including but not limited to claims for: minimum wage violations (Labor Code §§ 1182.12, 1194, 1194.2, 1197); failure to accurately pay all overtime wages (Labor Code §§ 204, 510, 558, 1194, 1198); rest period violations (Labor Code §§ 226.7, 516, 558); meal period violations (Labor Code §§ 226.7, 512, 558); wage statement violations (Labor Code § 226 *et seq.*); waiting time penalties (Labor Code §§ 201-203); unfair competition (Business and Professions Code § 17200 *et seq.*); and civil penalties under PAGA (Labor Code § 2698 *et seq.*) (collectively, the "Released Claims"). The time period covered by this release is April 23, 2015, to the date of preliminary approval of the settlement.

The release will become effective upon the occurrence of all of the following events: (a) the Court enters an order granting preliminary approval of the Settlement; (b) the Court enters an order granting final approval of the Settlement; and (c) any challenge to the Settlement, whether by objection or appeal, is resolved in favor of enforcement of the Settlement or the time for challenging the Settlement, whether by objection or appeal, has expired without such challenge being filed (the "Effective Date").

- B. In light of Plaintiff's Class Representative Enhancement Payment, Plaintiff has agreed to release, as an individual and on behalf of his heirs, beneficiaries, guardians, and assigns, and in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers' compensation claims or any other claims which cannot be released as a matter of law. Specifically excluded from this general release are any and all claims pertaining to Plaintiff's pending workers' compensation action, EAMS Case No. ADJ10613218. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

3. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary "Maximum Settlement Amount" of \$1,475,000.00 in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.
- B. Defendant will fund the Maximum Settlement Amount within 30 calendar days of the Effective Date.
- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class Members;
 - (2) All costs of the Settlement Administrator which are anticipated to be no greater than \$16,750.00;
 - (3) Up to \$5,000.00 for Plaintiff’s Class Representative Enhancement Payment in recognition for Plaintiff’s contributions to the Action and Plaintiff’s service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff will not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding;
 - (4) Up to 1/3 of the Maximum Settlement Amount in Class Counsel’s attorneys’ fees (currently estimated at \$491,666.67), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than \$25,000.00. In the event that the Court reduces or does not approve the requested Class Counsel attorneys’ fees or costs, Class Counsel will not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding; and
 - (5) \$50,000.00 of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of this amount (\$37,500.00) will be payable to the California Labor & Workforce Development Agency (“LWDA”), and the remaining 25% (\$12,500.00) will be payable to the Settlement Class Members as the “PAGA Amount,” as described below.
- D. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class Members who do not opt-out.
- E. **Escalator Clause.** Defendant represents that the Settlement Class includes approximately 1,371 putative class members who performed work for Defendant in California during the Class Period. If, as of the close of the Class Period, the number of putative class members has increased by 10% or more (i.e., if there are 1,509 or more putative class members), then Defendant agrees to increase the Maximum Settlement Amount on a proportional basis (e.g. if the actual number of putative class members is 20% greater than 1,371, Defendant agrees to increase the Maximum Settlement Amount by 20%).

- F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include Employer Payroll Taxes, which will be paid by Defendant separate and apart from, and in addition to, the Maximum Settlement Amount.
 - G. If more than 10% of the Settlement Class Members opt-out of the Settlement, Defendant may rescind this Settlement Agreement by communicating that decision to both the Settlement Administrator and Plaintiff in writing.
4. **Payments to the Settlement Class.** Settlement Class Members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:
- A. The Settlement Administrator will first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator’s fees and expenses for administration, and the amount of PAGA civil penalties designated as payable to the LWDA. The remaining amount will be known as the “Net Settlement Amount.”
 - B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member’s Individual Settlement Payment based on the following formula:
 - i. Wage Statement/PAGA Amount: 10% of the Net Settlement Amount plus the \$12,500.00 payable to the Settlement Class Members as the PAGA Amount will be designated as the “Wage Statement/PAGA Amount.” Each participating Settlement Class Member who was employed by Defendant in California between April 23, 2018, and the close of the Class Period will receive a portion of the Wage Statement/PAGA Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period.
 - ii. Waiting Time Amount: 10% of the Net Settlement Amount will be designated as the “Waiting Time Amount.” The Waiting Time Amount will be distributed in equal shares to each participating Settlement Class Member who separated their employment with Defendant on or after April 23, 2016.
 - iii. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period.

- C. Within 10 business days following the funding of the Maximum Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Individual Settlement Payment and will prepare and mail Individual Settlement Payments to Settlement Class Members.
- D. Each Individual Settlement Payment will be allocated as 1/3 wages and 2/3 penalties and interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). The Settlement Administrator will be responsible for calculating and withholding all employee-share employment taxes and other legally required withholdings from each Individual Settlement Payment.
- E. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class Members whose checks are not cashed within 180 days after mailing will be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class Member to whom the check was issued, until such time that they claim their property.
- F. Neither Plaintiff nor Defendant will bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to 1/3 of the Maximum Settlement Amount, which is currently estimated to be \$491,666.67. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$25,000.00 from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including responding to any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator for the fee award approved by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for Class Representative Enhancement Payment of \$5,000.00 for Plaintiff's time and risk in prosecuting this case and Plaintiff's service to the Settlement Class. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member and will be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiff seeking approval to pay up to \$16,750.00 for the administration services to be paid from the

Maximum Settlement Amount. The Settlement Administrator will be responsible for depositing into an account and holding the various payments from Defendant comprising the Maximum Settlement Amount, sending Notice Packets to the Settlement Class Members, calculating Individual Settlement Payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator will be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all participating Settlement Class Members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff will apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff Steve Diab Qawas as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Notice of Settlement Award, and Request for Exclusion), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class will be notified as follows:

- A. Within 10 business days after entry of an order preliminarily approving the Settlement Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, dates of employment, and workweek data for the Settlement Administrator to use to determine the number of workweeks worked by each Settlement Class Member during the Class Period.
- B. Within 10 business days from receipt of this information, the Settlement Administrator will (i) run the names of all Settlement Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members; (ii) update the address of any Settlement Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class Member; and (iv) mail a Notice Packet to each Settlement Class Member at

his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline will be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator will resend the Notice Packet to the Settlement Class Member immediately, and in any event within 5 business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address will be presumed to be the best mailing address for each Settlement Class Member. Settlement Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator will have an additional 14 calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Payment. Notice Packets that are re-mailed will inform the recipient of this adjusted deadline.
- D. Requests for Exclusion. Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet will state that Settlement Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member’s telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion will be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.
 - ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class Member to object to the Settlement or opt-out of the Settlement Class or encourage any Settlement Class Member to appeal from the final judgment.

- E. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who will serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court) within the Response Deadline. Any objections shall (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class Member; (2) state the basis of the Settlement Class Member's objection to the Settlement; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. Defendant's counsel and Class Counsel will file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class Member who wishes to may also appear in person or through their own counsel and raise an objection at the Final Approval Hearing.
- F. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class Member will disclose the amount of the Settlement Class Member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class Members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator will determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.
- G. Defendant understands its legal obligation not to retaliate against the Settlement Class Members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Action.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff will apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and

C. Entering judgment pursuant to California Rule of Court 3.769.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement will operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If the Settlement does not receive final approval by the Court, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

13. **No Tax Advice.** Each of the Parties acknowledges and agrees that (1) no provision of this Settlement, and no written communication or disclosure between or among the Parties or their counsel 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 Circular 230 (31 CFR part 10, as amended); (2) each of the Parties (a) has relied exclusively upon his, her or its own, independent legal and tax advisors for advice (including tax advice) in connection with this Settlement, (b) has not entered into this Settlement based upon the recommendation of any of the other Parties or any counsel or advisor to any of the other Parties, and (c) is not entitled to rely upon any communication or disclosure by any other counsel or advisor to any of the other Parties to avoid any tax penalty that may be imposed on any of the Parties; and (3) no attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any of the Parties of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement.

14. **Confidentiality.** The Parties and their counsel will keep the Settlement, the Settlement-related documents, and their Settlement negotiations confidential, and will not disclose that information to any third party until after the date of filing of Plaintiff's Motion for Preliminary Approval of Class Action Settlement. Plaintiff and his counsel agree that they have not and will not publish the Agreement. Plaintiff's counsel will not report the Agreement in any medium or in any publication, will not post or report anything regarding the claims of Plaintiff or the Settlement Class or the Agreement on their website, and will not contact any reporters or media regarding the Agreement. However, Plaintiff's attorneys are authorized to make a limited disclosure to the Court for the purposes of obtaining the approval of the settlement. This disclosure is limited to court filings and submission to the California Labor and Workforce Development Agency ("LWDA"), and neither Plaintiff nor his counsel or representatives are permitted to disseminate or publish, distribute or discuss the information provided to the Court and the LWDA in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court. Notwithstanding anything herein to the contrary, this Confidentiality provision is not intended to prohibit Plaintiff's Counsel from discussing the terms of the Settlement with the Settlement Class Members and/or otherwise answering their questions regarding the Settlement.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement will be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

to Plaintiff: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

to Defendant: Nikolas T. Djordjevski of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
4370 La Jolla Village Drive, Suite 990, San Diego, CA 92122
nikolas.djordjevski@ogletree.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed electronically by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together will be deemed to constitute one and the same instrument.

18. **Enforcement Action.** In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions. All terms and conditions of this Settlement 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.

19. **Continuing Jurisdiction.** The Parties stipulate that, pursuant to California Code of Civil Procedure section 664.6, the Imperial County Superior Court will retain jurisdiction over the Parties to enforce this Settlement Agreement until full performance of the terms of the settlement has been completed.

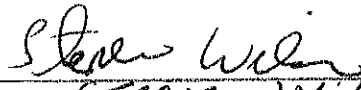
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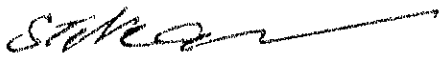
11/20/20

DEFENDANT SOCAL FRAMING, INC.

By: 
Name: STEPHEN WILSON
Title: PRES.

DATED: 11/14/20

PLAINTIFF STEVE DIAB QAWAS


By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

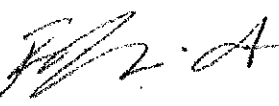
DATED: 11/23/2020

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

By: 
Spencer C. Skeen
Nikolas T. Djordjevski
Attorneys for Defendant

DATED: November 19, 2020

HAINES LAW GROUP, APC

By: 
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiff

43762511.1

EXHIBIT 2

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

STEVE DIAB QAWAS, as an individual and on behalf
of all others similarly situated,

Plaintiff,

vs.

SOCAL FRAMING, INC., a California Corporation;
and DOES 1 through 100,

Defendants.

Case No. RIC1902588

NOTICE OF CLASS ACTION SETTLEMENT

To: All current and former employees of Defendant Social Framing, Inc. ("Social Framing") who worked in California between April 23, 2015, and <<PRELIMINARY APPROVAL DATE>>. Collectively, these employees will be referred to as "Settlement Class Members."

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in *Steve Diab Qawas v. Social Framing, Inc.*, Riverside County Superior Court, Case No. RIC1902588 (the "Lawsuit"). Your rights may be affected by the Settlement, and it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Social Framing's records show that you were employed in California between April 23, 2015, and <<PRELIMINARY APPROVAL DATE>> (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Steve Diab Qawas ("Plaintiff") filed this Lawsuit against Social Framing, seeking to assert claims on behalf of all Settlement Class Members. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class Members, are known as "Class Counsel."

In the Lawsuit, Plaintiff alleges that Social Framing: (1) failed to pay all minimum wages; (2) failed to pay all overtime wages; (3) failed to separately pay for rest periods; (4) failed to provide all meal periods; (5) failed to issue accurate, itemized wage statements; (6) failed to pay all final wages upon separation of employment; (7) engaged in unfair, unlawful business practices; and (8) is liable for civil penalties under the Private Attorneys General Act ("PAGA").

Socal Framing denies that it has done anything wrong, and denies that it owes Settlement Class Members any wages, penalties, restitution, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Social Framing, which expressly denies all liability. However, to avoid additional expense, inconvenience, and interference with its business operations, Social Framing concluded that it is in its best interests and the interests of Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice.

The Court has not ruled on the merits of Plaintiff's claims. The Court has only determined that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate and reasonable. A final determination on whether the Settlement is fair, adequate and reasonable will be made at the Final Approval hearing.

If you are still employed by Socal Framing, your decision about whether to participate in the Settlement will not affect your employment. California law and Socal Framing's policy strictly prohibit unlawful retaliation.

Socal Framing will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / Settlement Class Members:	Attorneys for Socal Framing:
HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Andrew J. Rowbotham (SBN 301367) arowbotham@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. Spencer C. Skeen (SBN 182216) spencer.skeen@ogletree.com Nikolas T. Djordjevski (SBN 294728) nikolas.djordjevski@ogletree.com Yousaf M. Jafri (SBN 314773) yousaf.jafri@ogletree.com 4370 La Jolla Village Drive, Suite 990 San Diego, California 92122 Tel: (858) 652-3100 Fax: (858) 652-3101 ogletree.com

What are the terms of the Settlement?

Socal Framing has agreed to pay \$1,475,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, attorneys' fees and expenses, settlement administration costs, class representative's enhancement payment, and payment to the California Labor and Workforce Development Agency for its share of the PAGA civil penalties.

The Maximum Settlement Amount will be deposited with the Settlement Administrator within thirty (30) days of the date upon which all of the following events have occurred (a) the Court enters an order granting preliminary approval of the Settlement; (b) the Court enters an order granting final approval of the Settlement; and (c) any challenge to the Settlement, whether by objection or appeal, is resolved in favor of enforcement of the Settlement, or the time for challenging the Settlement, whether by objection or appeal, has expired without such challenge being filed (the "Effective Date"). The Settlement Administrator will mail Individual Settlement Payments to the Settlement Class Members within ten (10) business days thereafter.

The following deductions from the Maximum Settlement Amount will be requested by the Parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Parties will request up to \$16,750.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Class Counsel will ask for fees of up

to one-third of the Maximum Settlement Amount (which is currently estimated to be \$491,666.67) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of \$5,000.00 to compensate Plaintiff for his service and extra work provided on behalf of the Settlement Class Members.

Payment to the State of California. The Parties have agreed to allocate \$50,000.00 of the Maximum Settlement Amount towards the settlement of the PAGA claim in the Lawsuit. A total of \$37,500.00 will be paid to the State of California Labor and Workforce Development Agency for its 75% share of civil penalties. The remaining 25% (\$12,500.00) will be payable to the Settlement Class as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion Form (described below). The Net Settlement Amount is estimated to be approximately \$899,083.33. The Net Settlement Amount will be divided as follows:

Wage Statement/PAGA Amount: 10% of the Net Settlement Amount plus the \$12,500.00 payable to the Settlement Class Members as the PAGA Amount will be designated as the "Wage Statement/PAGA Amount." Each participating Settlement Class Member who was employed by Socal Framing in California between April 23, 2018, and <<PRELIMINARY APPROVAL DATE>>, will receive a share of the Wage Statement/PAGA Amount proportionate to the number of workweeks that he or she worked during that time period.

Waiting Time Amount: 10% of the Net Settlement Amount will be designated as the "Waiting Time Amount." The Waiting Time Amount will be distributed in equal shares to each participating Settlement Class Member who separated their employment with Socal Framing on or after April 23, 2016.

The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of workweeks worked during the Class Period. Shares will be determined by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period.

Payment of the Settlement. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to all Settlement Class Members who did not submit a valid and timely Request for Exclusion Form.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be allocated as 1/3 wages and 2/3 penalties and interest. The Maximum Settlement Amount does not include employer payroll taxes, which will be paid by Socal Framing separate and apart from, and in addition to, the Maximum Settlement Amount. The Settlement Administrator will be responsible for issuing to Settlement Class Members an IRS Form W2 and IRS Form 1099 for their Individual Settlement Payment amounts. The Settlement Administrator will be responsible for calculating and withholding all employee-share employment taxes and other legally required withholdings from each Individual Settlement Payment. Settlement Class Members are responsible for the proper tax treatment of the Individual Settlement Payments. The Settlement Administrator, Socal Framing and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, each Settlement Class Member who has not submitted a timely and valid Request for Exclusion Form, will fully release and discharge Socal Framing and its officers, directors, employees and agents, (collectively the "Released Parties") from any and all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, demands, obligations, attorneys' fees, costs and any other form of relief or remedy in law, equity, or whatever kind or nature alleged in the operative complaint in the Lawsuit (including any amendments thereto) or which could have been alleged based on the facts, circumstances, and primary rights alleged in the operative complaint in the Lawsuit, both on behalf of the Plaintiff and on behalf of the entire Settlement Class, including but

not limited to claims for: minimum wage violations; failure to accurately pay all overtime wages; rest period violations; meal period violations; wage statement violations; waiting time penalties; unfair competition; and civil penalties under the PAGA (collectively, the “Released Claims”). The time period covered by this release is April 23, 2015, to <<PRELIMINARY APPROVAL DATE>>.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the formula set forth above and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your Individual Settlement Payment is based on the proportionate number of workweeks you worked during the Class Period (April 23, 2015, to <<PRELIMINARY APPROVAL DATE>>) as well as whether you are entitled to receive a share of the Wage Statement/PAGA Amount and the Waiting Time Amount. The information contained in Socal Framing’s records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, to <<ADMINISTRATOR CONTACT INFO>>. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. Should the Settlement Administrator and the Parties not agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a signed “Request for Exclusion Form” postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, and signature.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion Form shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may complete the Objection Form or timely submit a written objection and send to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Your written objection must include: (1) your full name; (2) your address; (3) the case name and number (which are: *Steve Diab Qawas v. Socal Framing, Inc.*, Case No. RIC1902588); (4) the basis for your objection; and (5) any legal or factual support for each objection together with any evidence in support of your objection. Objection Forms or written objections must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 6 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. You have the right to appear either in person or through your own attorney at this hearing, although you do not need to appear at the Final Approval Hearing for your objection to be considered. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 6 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. The location, date, and time of the Final Approval Hearing may be moved. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the enhancement payment to the Class Representative, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing.**

Appearances may be made remotely by connecting to WebEx for a telephonic appearance. You may connect to WebEx by dialing 844-621-3956. You will then be asked to enter the following meeting number: 803-052-139#. For more information, please consult the Court's website at <https://riverside.courts.ca.gov/PublicNotices/telephonic-appearances.php>.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, during regular court hours. You may also view the case file online at www.riverside.courts.ca.gov by going to the "Search Court Records" tab, selecting "Civil, Small Claims and Unlawful Detainer Case Information," and entering the case number information. This case is assigned to Department 6 of the Riverside Historic Courthouse, located at 4050 Main Street, Riverside, California 92501. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Fletcher W. Schmidt in support of Plaintiff's Motion For Preliminary Approval of Class Action Settlement, filed on <<DECLARATOIN FILING DATE>>. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, SOCAL FRAMING, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting a Dispute, Request for Exclusion Form, or Objections Form is <<RESPONSE DEADLINE>>.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

NOTICE OF SETTLEMENT AWARD

STEVE DIAB QAWAS v. SOCAL FRAMING, INC.
RIVERSIDE COUNTY SUPERIOR COURT CASE NO. RIC1902588

ONLY IF (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below, please complete, sign, date and return this Form to **<<ADMINISTRATOR CONTACT INFO>>**. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment:

According to Socal Framing's records:

- (a) You worked _____ workweeks for Socal Framing in California between April 23, 2018 and **<<PRELIMINARY APPROVAL DATE>>**;
- (b) There were _____ total workweeks worked by employees of Socal Framing in California between April 23, 2018 and **<<PRELIMINARY APPROVAL DATE>>**;
- (c) You worked _____ workweeks for Socal Framing in California between April 23, 2015 and **<<PRELIMINARY APPROVAL DATE>>**;
- (d) There were _____ total workweeks worked by employees of Socal Framing in California between April 23, 2015 and **<<PRELIMINARY APPROVAL DATE>>**;
- (e) You **<<DID/DID NOT>>** separate your employment with Socal Framing on or after April 23, 2016.

Based on the above, your Individual Settlement Payment is estimated to be \$_____.

(IV) If you disagree with items (a) through (e) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Socal Framing's records, those records will control unless you are able to provide documentation that establishes that Socal Framing's records are mistaken. If there is a dispute about whether Socal Framing's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the Notice of Class Action Settlement that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN **<<RESPONSE DEADLINE>>**.**

Signature: _____

Date: _____

REQUEST FOR EXCLUSION FORM

STEVE DIAB QAWAS v. SOCAL FRAMING, INC.
RIVERSIDE COUNTY SUPERIOR COURT CASE NO. RIC1902588

IF YOU **DO NOT** WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST **COMPLETE, SIGN AND MAIL** OR DELIVER THIS FORM, POSTMARKED ON OR BEFORE **<<RESPONSE DEADLINE>>**, ADDRESSED AS FOLLOWS:

PHOENIX SETTLEMENT ADMINISTRATORS
Steve Diab Qawas v. Socal Framing, Inc.
SETTLEMENT ADMINISTRATOR

ADDRESS

ADDRESS

PHONE

FAX

DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A PAYMENT UNDER THE SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I **do not** want to be included in the Settlement of the lawsuit entitled *Steve Diab Qawas v. Socal Framing, Inc.*, Riverside County Superior Court Case No. RIC1902588.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *STEVE DIAB QAWAS v. SOCAL FRAMING, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.

Name

Telephone Number

Address

Date

Signature

OBJECTION FORM

STEVE DIAB QAWAS v. SOCAL FRAMING, INC.
RIVERSIDE COUNTY SUPERIOR COURT CASE NO. RIC1902588

All objections must be mailed or delivered directly to the Settlement Administrator, Phoenix Settlement Administrators, at <<INSERT ADMINISTRATOR CONTACT INFO>> on or before <<RESPONSE DEADLINE>>. All objections must be postmarked on or before <<RESPONSE DEADLINE>>.

Objecting Settlement Class Member Information:

Name

Telephone Number

Address

Date _____

Signature

Describe the nature of each objection. Attach additional pages if necessary:

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

EXHIBIT 3