

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Alexandra Rose (SBN 329407)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiffs

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

LES ARRIOLA, individually, and on behalf
of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

MULTI MECHANICAL, INC., an unknown
business entity; and DOES 1 through 100,
inclusive,

Defendants.

ARMANDO ZUNIGA, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

MULTI MECHANICAL, INC., a California
Corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: RIC2003696
(Consolidated with Case No. CVRI2104327)

Honorable Craig G. Riemer
Department 1

CLASS ACTION

**DECLARATION OF ALEXANDRA ROSE
IN SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

[Notice of Motion and Motion for Preliminary
Approval of Class Action Settlement;
Plaintiffs' Compliance Chart in Support of
Motion for Preliminary Approval of Class
Action Settlement; Declarations of Plaintiffs
(Les Arriola and Armando Zuniga);
Declaration of Defendant's Counsel (Brandon
L. Sylvia); Declaration of Proposed
Settlement Administrator (Michael Moore);
Declaration of Proposed *Cy Pres* Recipient
(Jose Padilla); and [Proposed] Order filed
concurrently herewith]

Reservation ID: 157380024790
Date: November 14, 2022
Time: 8:30 a.m.
Department: 1

Arriola Action Filed: September 16, 2020
Zuniga Action Filed: September 22, 2021
Trial Date: None Set

DECLARATION OF ALEXANDRA ROSE

I, Alexandra Rose, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Les Arriola and Armando Zuniga (together, “Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. Since October 2008, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. The firm has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

3. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior

1 Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA
2 Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University.
3 From approximately September 2002 to approximately December 2002, he served as a Judicial
4 Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the
5 Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a
6 Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second
7 Appellate District. In December of 2004, he obtained a license to practice law from the California
8 State Bar. From approximately December 2004 to approximately August 2008, he was employed
9 by Girardi & Keese. At Girardi & Keese, his practice focused on class actions and other complex
10 cases involving toxic torts and products liability. In addition, he gained substantial experience on
11 cases involving insurance bad faith, premises liability, and medical negligence. While employed
12 by Girardi & Keese, he argued approximately one hundred (100) motions, took or defended
13 approximately one hundred fifty (150) depositions, and prepared dozens of expert witnesses for
14 deposition or trial. Since in or around October of 2008, through his work at Lawyers *for* Justice,
15 PC, he has almost exclusively focused on the prosecution of consumer and employment class
16 actions, involving wage-and-hour claims, race discrimination, unfair business practices, or
17 consumer fraud. While employed by Lawyers *for* Justice PC, he has argued over one hundred
18 (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of
19 expert witnesses for deposition or trial, and attended over one hundred seventy-five (175)
20 mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-
21 counsel, he has successfully litigated cases involving the executive, administrative, and other
22 overtime exemptions to the State of California and federal overtime compensation requirements.
23 Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by
24 contested motion practice in approximately fifteen (15) cases in the last decade, and litigated over
25 1,000 class action or representative action cases.

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1 4. Arby Aiwarzian is a Member and Shareholder of Lawyers *for* Justice, PC. He
2 received his Bachelor of Arts degree from University of California, Los Angeles and graduated
3 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
4 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
5 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
6 From approximately August 2008 to approximately December 2008 he served as a Judicial Extern
7 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit.
8 He was admitted to practice law in California in 2010. He is admitted to practice before all courts
9 of the State of California and all United States District Courts in the State of California. He has
10 worked on many wage-and-hour class action and representative action cases, taking the lead in
11 taking and defending depositions, arguing motions, and attending mediations. He has played an
12 integral role in preparing matters for class certification, including and not limited to, successful
13 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
14 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
15 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
16 RG13680477). He has worked on over one hundred (100) class action or representative action
17 cases which have resulted in settlement, including and not limited to those listed in paragraph 7
18 herein.

19 5. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She received a
20 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
21 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
22 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
23 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
24 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme
25 Court. She has taken and defended dozens of depositions and successfully handled motion practice
26 in class action cases regarding discovery (including and not limited to, regarding class contact
27 information), class certification (both contested class certification and stipulated class
28 certification), arbitration agreements, coordination, intervention. She has successfully handled

1 briefing and oral argument on appeal and obtained notable decisions regarding PAGA and
2 employer efforts to compel arbitration of PAGA claims, e.g., *Betancourt v. Prudential Overall*
3 *Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert.
4 denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). She also has
5 extensive experience with class action and/or representative action settlements. Under her, Edwin
6 Aiwasian, and Arby Aiwasian's supervision, the firm has handled the class certification and court
7 approval process for hundreds of class action and/or representative action matters that have
8 successfully resolved. She is a member of the California Employment Lawyers Association.

9 6. I am a Member of Lawyers for Justice, PC. I received my Bachelors degree from
10 University of California, Los Angeles in 2016 and earned my Juris Doctor degree from New
11 England Law | Boston in 2019. I was admitted to practice law in California in 2019. I am admitted
12 to practice before all courts of the State of California and all federal district courts in the State of
13 California. I have worked on many wage and hour class action and PAGA representative matters,
14 and my work has included, *inter alia*, researching and drafting pleadings, administrative notice
15 exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging
16 in motion practice, claims evaluation and analysis, and making court appearances. Prior to
17 working at Lawyers for Justice, PC, I represented music artists and influencers, negotiating and
18 structuring various types of agreements on their behalf.

19 **EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND**
20 **REPRESENTATIVE ACTION CASES**

21 7. Lawyers for Justice, PC ("LFJ") has been approved and appointed as class counsel
22 in over 100 cases. In the last four (4) years alone, LFJ has obtained class certification and been
23 appointed class counsel by way of contested class certification motions in approximately eleven
24 (11) cases. What follows are just a few examples of the type of results LFJ has achieved on behalf
25 of its clients:

26 a) LFJ, in association with co-counsel therein, represented the plaintiffs in a
27 wage-and-hour class action against a major property management company involving allegations
28 of misclassification of various "manager" positions. On September 20, 2010, the court granted

1 final approval of the class action settlement. The Los Angeles County Superior Court Case
2 Number is BC400414.

3 b) LFJ, in association with co-counsel therein, represented the plaintiffs in a
4 wage-and-hour class action against a national retailer of household items involving allegations of
5 misclassification of the “Assistant Store Manager” position. On October 28, 2010, the court
6 granted final approval of the class action settlement. The Los Angeles County Superior Court
7 Case Number is BC413498.

8 c) LFJ, in association with co-counsel therein, represented the plaintiffs in a
9 wage-and-hour class action against a national property management company involving
10 allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court
11 granted final approval of the class action settlement. The Los Angeles County Superior Court
12 Case Number is BC430918.

13 d) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class action against a national retailer involving allegations of misclassification of
15 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
16 certification. On August 26, 2013, the court granted final approval of the class action settlement.
17 The Los Angeles County Superior Court Case Number is BC424012.

18 e) LFJ, in association with co-counsel therein, represented the plaintiff in a
19 wage-and-hour class and PAGA representative action against a bank, involving allegations of
20 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
21 granted final approval of the class and PAGA representative action settlement. The Kern County
22 Superior Court Case Number is S-1500-CV-273194-LHB.

23 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
24 wage-and-hour class and PAGA representative action against a national wholesale distributor of
25 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
26 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
27 representative action settlement. The Sacramento County Superior Court Case Number is 34-
28 2012-00136285.

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2 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
3 wage-and-hour class action against a multinational corporation that provides global workplace
4 solutions, involving allegations of misclassification of the “Operations Manager” position. On
5 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
6 County Superior Court Case Number is BC478769.

7 h) LFJ, in association with co-counsel therein, represented the plaintiff in a
8 wage-and-hour class and PAGA representative action against a national retailer of household
9 items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted
10 final approval of the class and PAGA representative action settlement. The San Francisco County
11 Superior Court Case Number is CGC-13-532344.

12 i) LFJ, in association with co-counsel therein, represented the plaintiff in a
13 wage-and-hour class and PAGA action involving allegations of misclassification of the salaried
14 residential “Property Manager” position. On September 17, 2015, the court granted plaintiff’s
15 motion for class certification. On October 20, 2017, the court granted final approval of the class
16 and PAGA representative action settlement. The Los Angeles County Superior Court Case
17 Number is BC474784.

18 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class and PAGA representative action against a national retailer of upscale
20 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court
21 granted final approval of the class and PAGA representative action settlement. The Los Angeles
22 County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council
23 Coordination Proceeding Number is 4794.

24 k) LFJ, in association with co-counsel therein, represented the plaintiffs in a
25 wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf
26 of non-exempt employees. On August 5, 2016, the court granted final approval of the class action
27 settlement. The Los Angeles County Superior Court Case Number is BC488069.

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1 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
3 involving allegations of misclassification of the “Department Manager” position. On August 12,
4 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
5 August 6, 2019, the court granted final approval of the class action settlement. The Alameda
6 County Superior Court Case Number is RG13680477.

7 m) LFJ represented the plaintiff in a PAGA representative action against a real
8 estate and property management company, on behalf of non-exempt employees. On November 4,
9 2016, the court granted approval of the PAGA representative action settlement. The Orange
10 County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

11 n) LFJ, in association with co-counsel therein, represented the plaintiffs in a
12 wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-
13 exempt employees. On November 18, 2016, the court granted final approval of the class and
14 PAGA representative action settlement. The San Francisco County Superior Court Case Number
15 is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

16 o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
17 representative action against a foodservice distributor, on behalf of non-exempt employees. On
18 January 26, 2017, the court granted final approval of the class and PAGA representative action
19 settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

20 p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative
21 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the
22 employer’s motion to compel arbitration, which resulted in a published opinion by the California
23 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal.
24 App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court
25 Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and
26 RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

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1 q) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class and PAGA representative action against a consumer packaging company, on
3 behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class
4 and PAGA representative action settlement. The Los Angeles County Superior Court Case
5 Number is BC590429.

6 r) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a manufacturer of food service
8 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final
9 approval of the class and PAGA representative action settlement. The Orange County Superior
10 Court Case Number is 30-2015-00810013-CU-OE-CXC.

11 s) LFJ in association with co-counsel, represented the plaintiffs in a wage-and-
12 hour class and PAGA representative action against a lumber and hardware company on behalf of
13 non-exempt employees. On April 26, 2017, the court granted final approval of the class and PAGA
14 representative action settlement. The Orange County Superior Court Case Number is 30-2014-
15 00747750-CU-OE-CXC.

16 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
17 representative action against a property management company, on behalf of non-exempt
18 employees. On June 14, 2017, the court granted final approval of the class and PAGA
19 representative action settlement. The Los Angeles County Superior Court Case Number is
20 BC586234.

21 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
22 representative action against a food company on behalf of non-exempt employees. On June 30,
23 2017, the court granted final approval of the class and PAGA representative action settlement. The
24 Sacramento County Superior Court Case Number is 34-2015-00175871.

25 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
26 representative action against a chocolate company on behalf of non-exempt employees. On July
27 19, 2017, the court granted final approval of the class and PAGA representative action settlement.
28 The Alameda County Superior Court Case Number is RG15764300.

1 w) LFJ firm represented the plaintiff in a PAGA representative action, against
2 the parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
3 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
4 Los Angeles County Superior Court Case Number is BC569664.

5 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
6 representative action against a manufacturer of plastic containers on behalf of non-exempt
7 employees. On October 31, 2017, the court granted final approval of the class and PAGA
8 representative action settlement. The Los Angeles County Superior Court Case Number is
9 BC577233.

10 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
11 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
12 employees. On December 11, 2017, the court entered an order granting final approval of the class
13 and PAGA representative action settlement. The Los Angeles County Superior Court Case
14 Number is BC569646.

15 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
16 wage-and-hour class and PAGA representative action against a property management company
17 on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court entered an
18 order granting final approval of the class and PAGA representative action settlement. The Los
19 Angeles County Superior Court Case Number is JCCP4819 and the Judicial Council Coordination
20 Proceeding Number is 4819.

21 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
22 wage-and-hour class and PAGA representative action against a global provider of flexible office
23 space solutions. On February 15, 2018, the court entered an order granting final approval of the
24 class and PAGA representative action settlement. The Los Angeles County Superior Court Case
25 Number is BC498401.

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1 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a
2 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.
3 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare
4 County Superior Court Case Number is VCU264528.

5 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
6 representative action against a behavioral health service provider on behalf of non-exempt
7 employees. On November 13, 2018, the court granted final approval of the class and PAGA
8 representative action settlement. The Alameda County Superior Court Case Number is
9 RG16811450.

10 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
11 PAGA representative action against a global provider of products and services to the energy
12 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court
13 granted approval of the PAGA representative action settlement. The Kern County Superior Court
14 Case Number is S-1500-CV-280215-SDC.

15 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a
16 wage-and-hour class action against a parking company on behalf of non-exempt employees. On
17 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
18 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
19 Council Coordination Proceeding Number is 4886.

20 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
21 wage-and-hour class and representative action against a bank on behalf of non-exempt employees.
22 On September 27, 2019, the court granted the plaintiffs' motion for class certification in part and
23 certified a class. The Alameda County Superior Court Case Number is RG15757606 and the
24 Judicial Council Coordination Proceeding Number is 4921.

25 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
26 wage-and-hour class and PAGA representative action against a national retailer of apparel and
27 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted
28 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the

1 court granted final approval of the class and PAGA representative action settlement. The
2 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

3 hh) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
4 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
5 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
6 notable decision from the California Supreme Court clarifying the law regarding PAGA claims,
7 *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval
8 of the PAGA representative action settlement. The San Diego County Superior Court Case
9 Number is 34-2015-00175330.

10 ii) LFJ, in association with co-counsel therein, represents the plaintiff in a
11 wage-and-hour class and PAGA representative action against a medical equipment supplier on
12 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion
13 for class certification and certified a class. The San Bernardino County Superior Court Case
14 Number is CIVDS1505744.

15 jj) LFJ, in association with co-counsel therein, represents the plaintiff in a
16 wage-and-hour class and PAGA representative action against a large national drug testing
17 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
18 plaintiff's motion for class certification and certified a class. The San Diego County Superior
19 Court Case Number is 37-2018-00019611-CU-OE-CTL.

20 kk) LFJ, in association with co-counsel therein, represents the plaintiffs in a
21 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
22 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
23 court granted in part the plaintiff's motion for class certification and certified a class. The
24 Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the
25 Judicial Council Coordination Proceeding Number is 4930.

26 ll) LFJ, in association with co-counsel therein, represents the plaintiffs in a
27 wage-and-hour class action against manufacturer and supplier of power products and services on
28 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion

1 for class certification and certified a class. The San Diego County Superior Court Case Number is
2 37-2015-00025968-CU-OE-CTL.

3 mm) LFJ represents the plaintiff in a wage-and-hour class action against a
4 nutritional products manufacturer on behalf of non-exempt production line employees. On
5 December 13, 2021, the court granted the plaintiff's motion for class certification in part and
6 certified a class. The Solano County Superior Court Case Number is FCS051001.

7 nn) LFJ represents the plaintiff in a wage-and-hour class action against an iconic
8 lifestyle accessories brand and retailer on behalf of non-exempt employees. On March 15, 2022,
9 the court granted the plaintiff's motion for class certification in part and certified a class. The San
10 Francisco Superior Court Case Number is CGC-16-550794.

11 **BASIC INFORMATION ABOUT THE CASE AND REACHING THE SETTLEMENT**

12 8. Marked and attached hereto as "**EXHIBIT 1**" is the Class Action and PAGA
13 Settlement and Release of Claims ("Settlement," "Agreement," or "Settlement Agreement")
14 entered into by and between Plaintiffs, on the one hand, and Defendant Multi-Mechanical, Inc.
15 ("Defendant"), on the other hand (collectively, the "Parties"). The Parties and their counsel have
16 approved the proposed Notice of Class Action Settlement ("Class Notice"), Exclusion Form
17 ("Exclusion Form"), and Objection Form ("Objection Form"), which are attached to the
18 Settlement Agreement as "Exhibit A," "Exhibit B," and "Exhibit C," respectively, and respectfully
19 request that the Court approve them as well.

20 9. Based on information provided by Defendant, the Class is estimated to consist of
21 approximately four hundred ninety-one (491) individuals, of which two hundred sixteen (216) are
22 considered to be Aggrieved Employees.

23 10. The effectiveness of Lawyers for Justice, PC ("Plaintiffs' Counsel" or "Class
24 Counsel") in prosecuting this matter has translated into tangible monetary benefits in the following
25 respects: (1) Class Members and the State of California recover over a reasonably short period of
26 time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed
27 result that compares favorably with other complex wage and hour class and/or representative
28 action settlements of similar type given the strengths and weaknesses of the cases; and (3)

1 significant savings in attorneys' fees and/or costs that would have only increased significantly had
2 the cases progressed through certification, trial, and/or appeals.

3 11. This matter involves litigation in two (2) cases: the action entitled *Les Arriola v.*
4 *Multi Mechanical Inc.*, Riverside County Superior Court, Case No. RIC2003696 ("Arriola
5 Action") and the action entitled *Armando Zuniga v. Multi Mechanical, Inc.*, Riverside County
6 Superior Court, Case No. CVRI2104327 ("Zuniga Action"). Plaintiffs' Counsel has litigated this
7 matter since the *Arriola* Action was commenced on September 16, 2020 and was actively
8 preparing the matter for class certification and trial. The Parties have engaged in extensive
9 settlement negotiations and participated in a formal, full-day mediation conducted by Lynn S.
10 Frank, Esq., a well-respected mediator experienced in mediating complex labor and employment
11 matters. Prior to and during the mediation and settlement discussions, the Parties exchanged
12 extensive information and engaged in discussions regarding their evaluations of the cases and
13 various aspects of the cases, including but not limited to, the risks and delays of further litigation,
14 the risks to the Parties of proceeding with class certification and/or representative adjudication,
15 the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and
16 wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the
17 possibility of appeals, among other things. During all settlement discussions, the Parties
18 conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement
19 that was acceptable to all Parties was not easy. Defendant and its counsel felt strongly about their
20 ability to prevail on the merits and at certification, and Plaintiff and Plaintiffs' Counsel believed
21 that they would be able to obtain class certification and prevail at trial. After conducting
22 investigations, informal discovery, and exchange of information, extensive settlement
23 negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that the matter
24 is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims, as well
25 as the costs and risks to both sides that would attend further litigation. The Settlement is a fair,
26 reasonable, and adequate resolution of the Class Released Claims of the Participating Class
27 Member and PAGA Released Claims of the State of California (with respect to the Aggrieved
28 Employees) and Aggrieved Employees, against the Released Parties.

1 12. Prior to reaching the Settlement, Plaintiffs' Counsel investigated the veracity,
2 strength, and scope of the claims, and was preparing the matter for class certification and trial.
3 Plaintiffs' Counsel conducted significant investigation and informal discovery regarding the facts
4 of the cases, including and not limited to, the exchange, review, and analysis of a large volume of
5 documents and data obtained from Defendant, Plaintiffs, and other sources. The volume of data
6 and documents that Plaintiffs' Counsel reviewed and analyzed included and was not limited to:
7 Plaintiffs' employment records, a detailed sampling of Class Members' time and pay data,
8 Defendant's Employee Handbook, acknowledgements (including, but not limited to, Employee
9 Handbook Acknowledgement, Receipt and Consent Form), and employment practices,
10 procedures, and policies (including, but not limited to, Timekeeping Requirements, Reporting
11 Time Pay, Meal Periods and Rest Breaks, Expense Reimbursements policies), among other
12 information and documents. Plaintiffs' Counsel interviewed Plaintiffs and conducted
13 investigations to gather facts and circumstances surrounding Plaintiffs and putative class
14 members' employment and to identify potential witnesses. Counsel for the Parties also met and
15 conferred on numerous occasions, e.g., to discuss issues relating to the pleadings and the
16 production of documents and data prior to the mediation. Plaintiffs' Counsel also drafted
17 pleadings and the mediation brief and prepared for and attended court proceedings, mediation, and
18 settlement negotiations, among other tasks.

19 13. Counsel for the Parties have also invested time researching and investigating the
20 applicable law, which is constantly evolving as it relates to certification, representative PAGA
21 claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement,
22 Plaintiffs' claims and damages, and Defendant's defenses thereto, as well as facts discovered.
23 Based on Plaintiffs' Counsel's analysis, the result achieved in this litigation is fair, adequate, and
24 reasonable.

25 14. The Settlement provides for a Settlement Fund of One Million Dollars and No Cents
26 (\$1,000,000.00). The Net Settlement Amount is the Settlement Fund less the following amounts
27 subject to approval by the Court: Attorneys' Fees and Costs to Class Counsel, Enhancement
28 Awards to Plaintiffs, Settlement Administration Costs to the Settlement Administrator, and the

1 PAGA Amount. Assuming that the amounts allocated under the Settlement toward these payments
2 are awarded by the Court, the Net Settlement Amount that will be available for distribution to
3 Participating Class Members is currently estimated to be Five Hundred Seven Thousand Dollars
4 (\$507,000.00). Additionally, 25% of the PAGA Amount (i.e., the Aggrieved Employee Amount),
5 which is \$25,000.00 out of \$100,000.00, will be distributed to Aggrieved Employees. The
6 Settlement Fund will be fully distributed in accordance with the terms of the Settlement and there
7 is no reversion to Defendant.

8 15. After obtaining competing bids from multiple potential settlement administrators
9 ranging from \$10,000.00 to \$12,662.00, the Parties agreed to retain Phoenix Class Action
10 Administration Solutions (“Settlement Administrator” or “Phoenix”), which quoted \$10,000.00,
11 to handle the notice and settlement administration process. The Parties preferred to retain Phoenix
12 over its competitors because counsel on both sides have had positive experiences working with
13 Phoenix in the past. The Parties respectfully request that the Court appoint Phoenix to handle
14 these procedures and serve as the Settlement Administrator. Defendant will provide the Settlement
15 Administrator with a list of Class Members that Defendant will compile from its records, which
16 will include each Class Member’s last-known full name, mailing address, telephone number,
17 Social Security Number, dates employed as a non-exempt employee of Defendant in California
18 during the Class Period, and such other information as is necessary for the Settlement
19 Administrator to calculate Workweeks (collectively, “Class List”), and the Settlement
20 Administrator will calculate each Class Member’s estimated *pro rata* share of the Net Settlement
21 Amount that a Class Member may be eligible to receive under the Class Settlement (“Individual
22 Settlement Payment”) and each Aggrieved Employee’s estimated *pro rata* share of the Aggrieved
23 Employee Amount that an Aggrieved Employee is eligible to receive for the PAGA Settlement
24 (“Individual PAGA Payment”). The Settlement Administrator will also translate the Class Notice,
25 Exclusion Form, and Objection Form (together, “Notice Packet”) into Spanish and mail both an
26 English and Spanish version of the Notice Packet to Class Members, receive and process Opt-Out
27 Requests, Objections, and Workweeks Disputes; provide necessary reports and declarations;
28 calculate, subtract, and transmit necessary taxes and withholdings; prepare and submit

1 informational and other tax filings and documents; issue and transmit all payments provided for
2 by the Settlement, including and not limited to, mailing payments to Participating Class Members
3 and Aggrieved Employees; and perform any other usual and customary duties for administering a
4 class action settlement. Under the Settlement, the amount of up to Thirteen Thousand Dollars
5 (\$13,000.00) has been allocated toward Settlement Administration Costs, and will be paid out of
6 the Settlement Fund, subject to approval of the Court.

7 16. Based on investigation and information discovered, Plaintiffs' Counsel believes that
8 there is sufficient evidence to support the allegations made in the lawsuits, including the
9 allegations that Defendant, with respect to Plaintiffs and the Class Members, *inter alia*, failed to
10 properly pay overtime and minimum wages, failed to provide compliant meal and rest periods and
11 to pay associated premium pay, failed to timely pay wages during employment and upon
12 termination of employment, failed to provide compliant wage statements, failed to maintain
13 requisite payroll records, and failed to reimburse necessary business expenses, and thereby
14 engaged in unfair business practices and conduct giving rise to civil penalties recoverable under
15 the Private Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*).
16 Plaintiffs also asserted that Class Members were expected to perform similar job duties and were
17 subject to the same or similar operations and employment policies, practices, and procedures.
18 Additionally, Plaintiffs asserted that Defendant's recordkeeping practices with respect to Plaintiffs
19 and Class Members were substantially the same during the time period at issue. As a result of said
20 alleged uniform practices, Plaintiffs claim that Class Members were not paid all of the
21 compensation that was owed to them by Defendant. Thus, in Plaintiffs' Counsel's view, it is clear
22 that the outcome of this litigation would be determined by Defendant's uniform operations and
23 employment practices, policies, and procedures that Plaintiffs allege applied across Defendant's
24 non-exempt employees in California during the relevant time period.

25 17. Plaintiffs' Counsel is aware of the defenses and position of Defendant, but believes
26 that Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs and
27 Plaintiffs' Counsel have also taken into account the uncertainty and risk of the outcome of further
28 litigation, and the difficulties and delays inherent in such litigation, including those involved in

1 class certification and/or representative adjudication. Plaintiffs and Plaintiffs' Counsel further
2 recognize the burdens of proof necessary to establish liability for the claims asserted in the
3 lawsuits, Defendant's defenses, and the difficulties in establishing entitlement to monetary
4 recovery. Plaintiffs and Plaintiffs' Counsel have also considered the Parties' settlement
5 discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in
6 complex labor and employment matters.

7 18. Defendant, on the other hand, denied and continues to deny any liability and
8 wrongdoing of any kind associated with the allegations in the lawsuits, and further denies that the
9 matter is appropriate for class treatment or representative adjudication for any purpose other than
10 the Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have
11 also had the opportunity to conduct investigations and gather documents and information relating
12 to Plaintiffs' and Class Members' employment with Defendant, and Defendant's operations and
13 employment policies, practices, and procedures. The Parties also reviewed and analyzed a volume
14 of documents and data, including but not limited to a detailed sampling of Class Members' time
15 and pay records, to determine the potential value and strength of the claims. The available
16 information enabled Plaintiffs' Counsel to assess and value the class and PAGA claims and
17 prepare violation, damages, and penalties analyses and models. Accordingly, the Parties have
18 conducted adequate investigation to be sufficiently informed of the nature and extent of the class
19 and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness,
20 adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of
21 each side's position and the uncertainty of how the matter might have concluded at certification,
22 trial, and/or appeals.

23 19. The Settlement Agreement provides for Plaintiffs' Counsel to apply for attorneys'
24 fees in an amount of up to thirty-five percent (35%) of the Settlement Fund
25 (i.e., \$350,000.00) and expenses and costs in an amount not to exceed Fifteen Thousand Dollars
26 and No Cents (\$15,000.00), which will be paid out of the Settlement Fund, subject to approval by
27 the Court. It should be noted that Plaintiffs' Counsel has borne all of the risks and costs of
28 litigation and will not receive any compensation until recovery is obtained.

20. The Settlement Agreement provides for payment of up to Seven Thousand Five Hundred Dollars (\$7,500.00) each to Plaintiffs as Enhancement Awards (for a combined total of \$15,000.000), to be paid out of the Settlement Fund subject to approval by the Court. Plaintiffs spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiffs were available whenever Plaintiffs' Counsel needed Plaintiffs, and actively tried to obtain information that would facilitate the pursuit of the class and PAGA claims. Accordingly, it is appropriate and just for Plaintiffs to each receive an Enhancement Award, in addition to an Individual Settlement Payment and Individual PAGA Payment (if applicable), for services performed in the matter on behalf of the Class and State of California.

OTHER PENDING ACTIONS

21. I made reasonable inquiry of other members at Lawyers *for* Justice, PC, and I am not aware of any other pending actions against Defendant in any other Court that the Settlement may impact.

FEE SPLIT ARRANGEMENT

22. Lawyers *for* Justice, PC has not entered into a fee splitting agreement or arrangement with any other counsel.

RELATION TO PROPOSED *CY PRES* RECIPIENT

23. I made reasonable inquiry of Plaintiffs and other members at Lawyers *for* Justice, PC, and to the best of my knowledge, neither I, Plaintiffs, nor other members at Lawyers *for* Justice, PC have any relationship with the proposed *cy pres* recipient California Rural Legal Assistance, Inc.

ESTIMATED SETTLEMENT PAYMENTS TO CLASS MEMBERS

24. Based on Defendant's representations to Class Counsel on September 8, 2022, the maximum Individual Settlement Payment is estimated to be Five Thousand Two Hundred Twenty-Five Dollars and Thirty-Four Cents (\$5,225.34), the minimum Individual Settlement Payment is estimated to be Seventeen Dollars and Seventy-Seven Cents (\$17.77), and the average Individual Settlement Payment is estimated to be One Thousand Fourteen Dollars and No Cents (\$1,014.00).

1 Based on Defendant's representations to Class Counsel on September 14, 2022, the maximum
2 Individual PAGA Payment is estimated to be three hundred twenty dollars and no twenty cents
3 (\$320.20), the minimum Individual PAGA Payment is estimated to be two dollars and forty-three
4 cents (\$2.43), and the average Individual PAGA Payment is estimated to be one hundred fifteen
5 dollars and seventy-four cents (\$115.74).

6 ESTIMATE OF THE VALUE OF THE CLAIMS

7 25. Plaintiffs' actions allege that Defendant has violated the California Labor Code and
8 Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic
9 scheme of wage abuse against Plaintiffs and the putative class members, including *inter alia*,
10 failing to properly compensate overtime and minimum wages, failing to provide compliant meal
11 and rest periods and associated premium pay, failing to timely pay wages during employment,
12 failing to timely pay wages upon termination and associated waiting-time penalties, failing to
13 provide compliant wage statements, failing to maintain requisite payroll records, and failing to
14 reimburse necessary business expenses. Plaintiffs further contend that Defendant's
15 aforementioned conduct constitutes unfair business practices (under the California Business and
16 Professions Code ("UCL") and gives rise to civil penalties recoverable under PAGA.

17 26. Based on data provided by Defendant, Plaintiff derived the total number of estimated
18 Class Members during the period from September 16, 2016 to May 9, 2022 ("Class Period") was
19 estimated to be approximately four hundred ninety-one (491) individuals who worked a total of
20 thirty thousand three hundred sixty-four (30,364) workweeks with an average hourly rate of pay
21 of seventeen dollars and two cents (\$17.02).

22 A. Failure to Pay Overtime and Minimum Wages

23 27. Plaintiffs alleged Defendant failed to pay overtime and minimum wages. Plaintiffs
24 contended that that Defendant's uniform policies, practices, and procedures required putative class
25 members to perform work during meal periods and before clocking-in and after clocking-out. For
26 example, Plaintiffs contended that Plaintiffs and putative class members were required to perform
27 job duties such as installing air conditioners, organizing jobs, attending meetings, and performing
28 inspections before and after clocking in and out for their scheduled shifts, and during meal periods.

1 Plaintiffs contended that Defendant also exerted class-wide pressure on putative class members to
2 reduce the amount of recorded overtime, requiring them to complete unreasonable workloads
3 within scheduled hours only, obtain pre-approval prior to working overtime or in excess of their
4 scheduled work hours, and subjecting those who recorded overtime without preapproval to
5 discipline. Plaintiffs also contented that Defendant incorrectly calculated the regular rate of pay
6 for purposes of calculating overtime compensation by failing to include non-discretionary forms
7 of pay including bonuses and incentives in its regular rate calculations. Plaintiffs contended that
8 Defendant failed to properly compensate Plaintiffs and putative class members at their applicable
9 minimum, regular, or overtime rates for all of the hours that they worked.

10 28. California Labor Code section 510 provides that when an employee works more than
11 eight (8) hours in any workday, more than forty (40) hours in any workweek and/or more than six
12 (6) days in a workweek, the employer must pay the employee at least one and one-half times the
13 employee's regular rate of pay for all overtime hours worked. The employer must pay the
14 employee no less than twice his or her regular rate of pay for hours worked in excess of twelve
15 (12) hours in one day or in excess of eight (8) hours on the seventh consecutive day of work.
16 California Labor Code section 1198 and the applicable Industrial Welfare Commission ("IWC")
17 Wage Order(s) provide that it is unlawful to employ persons without compensating them at a rate
18 of pay either time-and-one-half or two-times that person's regular rate of pay, depending on the
19 number of hours worked by the person on a daily or weekly basis.

20 29. California Labor Code section 1197 provides that it is unlawful to pay employees at
21 a rate less than the minimum wage. California Labor Code sections 1194, 1194.2, 1197, and
22 1197.1 provide that an employee may seek to recover unlawfully unpaid wages by court action, as
23 well as liquidated damages in an amount equal to the wages unlawfully not paid and interest
24 thereon. California Labor Code section 1197.1 provides for civil penalties, which, arguably, may
25 only be recovered by the Labor Commissioner during a one-year statute of limitations period.

26 30. Defendant contended, inter alia, that its overtime policies and practices comply with
27 the law, and that it paid putative class members over the California minimum wage for all hours
28 worked. Defendant contended that it correctly calculated and paid putative class members' regular

1 rate for purposes of paying overtime. Defendant also produced wage statements reflecting
2 overtime compensation paid to many of the putative class members (including, and not limited to,
3 Plaintiffs). Defendant further contended that all employees were required to record all time
4 worked and were given the opportunity to make any necessary timecard revisions or changes, and
5 that Defendant was not aware that any work had been performed off-the-clock. Defendant also
6 argued that individual liability issues predominate, including: (a) whether each employee worked
7 off-the-clock; (b) whether Defendant knew or should have known about each employee's off-the-
8 clock work; (c) whether each employee worked overtime; (d) whether Defendant knew or should
9 have known that each putative class member performed overtime work. Defendant also contended
10 that the putative class members held different job titles and had different job duties and that these
11 circumstances would raise highly individualized questions of fact and would pose challenges to
12 certification and the merits of the claims for overtime and minimum wages.

13 31. Plaintiffs' Counsel considered information obtained through investigations and from
14 Plaintiffs and other putative class members, as well as class data provided by Defendant, and
15 created damages/valuation models prior to the mediation. Based thereon, assuming that it could
16 be proven that Defendants failed to pay one (1) hour of overtime wages every workweek during
17 the Class Period, the potential value of this claim was estimated to be \$775,192.92 (30,364
18 workweeks x 1 hour of overtime wages x overtime hourly rate of \$25.53, which is based on the
19 average hourly rate of \$17.02). Assuming that it could be proven that Defendant failed to pay one
20 (1) hour of minimum wages every workweek during the Class Period, the potential value of this
21 claim was estimated to be \$516,795.28 (30,364 workweeks x 1 hour of unpaid minimum wages x
22 average hourly rate of \$17.02).

23 32. However, this assumes an exposure based on a class having been certified and
24 Plaintiffs having proven all elements of the overtime and minimum wage claims, despite risks
25 associated with obtaining and maintaining certification, risks to establishing liability, and
26 significant additional costs that would have to be incurred in order to certify a class and establish
27 liability. Plaintiffs also faced the risk of the Court finding that individualized issues predominate,
28 such that class treatment is not suitable. While Plaintiffs' Counsel disagreed with Defendant's

arguments and factual contentions, Plaintiffs' Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. With respect to the overtime claim, at this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$465,115.75), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$232,557.88), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$69,767.36). Also, with respect to the minimum wage claim, at this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$310,077.17), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$155,038.59), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$46,511.58).

B. Failure to Provide Compliant Meal Periods and Associated Premiums

33. Plaintiffs' theory of liability was also based on Defendant's failure to provide timely, full, and/or uninterrupted meal periods. Plaintiffs contended, inter alia, that Defendant's policies, practices, and procedures required employees to perform job duties during their meal periods and prevented them from regularly receiving compliant meal periods. For example, Plaintiffs and other putative class members would often work during their purported meal periods whenever construction materials were delivered to the work site. Plaintiffs also contended that Defendant failed to accurately record any putative class members' meal periods, and instead instructed forepersons to record a seemingly compliant meal on employees' handwritten timecards regardless of whether those employees were in fact able to take a complaint meal period. Plaintiffs further contended that Defendant failed to pay a meal premium for missed, late, short, or interrupted meal periods.

1 34. Under California law, an employer must provide an employee with uninterrupted
2 meal periods of not less than thirty (30) minutes before the employee works more than five (5)
3 hours, except that if the total work period per day of the employee is no more than six (6) hours,
4 the meal period may be waived by mutual consent of both the employer and employee. Cal. Lab.
5 Code § 512(a). A second meal period of not less than thirty (30) minutes is required if an employee
6 works more than ten (10) hours per day, except that if the total hours worked is no more than
7 twelve (12) hours, the second meal period may be waived by mutual consent of the employer and
8 employee only if the first meal period was not waived. *Id.* An “on-duty” meal period may be
9 agreed to only if “the nature of the work prevents an employee from being relieved of all duty and
10 when by written agreement between the parties an on-the-job paid meal period is agreed to.” IWC
11 Wage Orders 1 through 15, § 11; IWC Wage Order 16, § 10. An employer must pay each
12 employee to whom it fails to “provide” a meal period one hour of wages at his or her regular rate
13 of pay “for each work day that the meal or rest period is not provided.” Cal. Lab. Code § 226.7(b).

14 35. Defendant contended that it had practices, policies, and procedures to provide meal
15 every workday to its employees that fully complied with California law. To the extent that putative
16 class members failed to take their meal periods or took a short or late meal, Defendant contended
17 that they did so voluntarily and that all applicable meal periods were still provided to them. Thus,
18 Defendant argued that it did not act unlawfully to deprive putative class members of meal
19 periods. Defendant also contended that there were multiple individual issues that would pose
20 challenges to certification, including and not limited to, (a) whether any meal periods were non-
21 compliant, and (b) why they were non-compliant. Defendant also contended that the putative class
22 members held different job titles and had different job duties, and that as a result, there was
23 variation to the circumstances that could allegedly cause the employees to be deprived of the
24 opportunity to take legally-compliant, duty-free meal periods, and this variation in circumstances
25 raised highly individualized questions of fact.

26 36. Plaintiffs’ Counsel considered information obtained through investigations and from
27 Plaintiffs and other putative class members, as well as class data provided by Defendant, and
28 created damages/valuation models prior to the mediation. Based thereon, assuming that it could

1 be proven that one (1) meal premium is due for every workweek during the relevant time period,
2 the potential value of this claim was estimated to be \$516,795.28 (30,364 workweeks x 1 meal
3 premium x average hourly rate of \$17.02).

4 37. Plaintiffs' Counsel also considered the risk of further litigating the cases, including
5 the significant additional costs that will be incurred by both sides if the cases do not settle, as
6 litigating a class action through class certification, trial, and/or appeals is very expensive.
7 Moreover, litigating meal period claims is inherently difficult as an employer's records, as is the
8 case here, do not usually indicate when a meal period is missed, late, short and/or interrupted.
9 While Plaintiffs' Counsel disagreed with Defendant's arguments and factual contentions,
10 Plaintiffs' Counsel recognized the circumstances and realities of the cases, applicable case law
11 and regulations, costs and expenses of further litigation and certification, and risks to recovery,
12 and applied appropriate discounts for them. At this juncture, a discount of 40% was applied to
13 account for the risks associated with obtaining and maintaining certification (bringing the value of
14 the claim closer to \$310,077.17), a discount of 50% was applied to account for the risks associated
15 with succeeding on the merits and establishing liability (bringing the value of the claim closer to
16 \$155,038.59), and a discount of 60% was applied to account for the risks associated with proving
17 the extent of damages and obtaining an award thereof (bringing the value of the claim closer to
18 \$62,015.44).

19 **C. Failure to Provide Compliant Rest Periods and Associated Premiums**

20 38. Plaintiffs' theory of liability was also based on Defendant's failure to provide its
21 employees with timely, full, and/or uninterrupted rest periods. Plaintiffs contended that
22 Defendant's employment policies, practices, and procedures required employees to perform job
23 duties during their rest periods and prevented them from regularly receiving compliant rest
24 periods. Plaintiffs contended that they and other putative class members were required to remain
25 on premises during rest periods and that Defendant failed to pay a rest period premium at any time
26 during the relevant time period.

27 ///

28 ///

1 39. California law requires an employer to provide rest periods to all employees at the
2 rate of ten (10) minutes every four hours of work or major fraction thereof. Cal. Lab. Code
3 § 226.7. When an employer fails to provide a compliant rest period, the employer is required to
4 either (a) provide another rest period or (b) pay one additional hour of pay at the regular rate of
5 pay “for each work day that the meal or rest period is not provided.” *Augustus v. ABM Security*
6 *Services, Inc.* (2016) 2 Cal.5th 257, 271-72; Cal. Lab. Code § 226.7(b). However, employees are
7 exempt from the rest breaks law, if their duties and responsibilities qualify for one or more of the
8 exemptions under California or federal law. See Cal. Lab. Code § 226.7(e); see e.g., 49 CFR
9 § 395.

10 40. Defendant contended that it had methods, policies, and procedures to provide all
11 applicable rest periods every workday to putative class members that fully complied with the law.
12 Defendant argued that the reasons why a putative class member failed to receive a compliant rest
13 period raised individual issues that could not be certified.

14 41. Plaintiffs’ Counsel considered information obtained through investigations and from
15 Plaintiffs and other putative class members, as well as class data provided by Defendant, and
16 created damages/valuation models prior to the mediation. Based thereon, assuming that it could
17 be proven that one (1) rest period premium is due for every workweek during the relevant time
18 period, the potential value of this claim was estimated to be \$516,795.28 (30,364 workweeks x 1
19 rest period premium x average hourly rate of \$17.02).

20 42. Plaintiffs’ Counsel also considered the risk of further litigating the matter, as well
21 as significant additional costs that will be incurred by both sides if the cases do not settle, as
22 litigating a class action through class certification, trial, and/or appeals is very expensive.
23 Moreover, litigating rest period claims is inherently difficult as an employer’s records, as is the
24 case here, do not usually indicate when a rest period is short, late, interrupted or missed entirely.
25 While Plaintiffs’ Counsel disagreed with Defendant’s arguments and factual contentions,
26 Plaintiffs’ Counsel recognized the circumstances and realities of the cases, applicable case law
27 and regulations, the costs and expenses associate with further litigation and certification, and risks
28 to recovery, and applied appropriate discounts for them. At this juncture, a discount of 40% was

1 applied to account for the risks associated with obtaining and maintaining certification (bringing
2 the value of the claim closer to \$310,077.17), a discount of 60% was applied to account for the
3 risks associated with succeeding on the merits and establishing liability (bringing the value of the
4 claim closer to \$124,030.87), and a discount of 60% was applied to account for the risks associated
5 with proving the extent of damages and obtaining an award thereof (bringing the value of the claim
6 closer to \$49,612.35).

7 **D. Waiting-Time Penalties for Failure to Timely Provide Wages During Employment and**
8 **Upon Termination**

9 43. Labor Code section 204 provides that, unless an exemption applies (e.g., under
10 California Labor Code section 204(a)), wages (other than those wages due upon termination of an
11 employee) earned by an employee between the 1st and 15th days, inclusive, of any calendar month,
12 are due and payable between the 16th and the 26th day of the month during which the labor was
13 performed, and wages earned by an employee between the 16th and the last day, inclusive, of any
14 calendar month, are due and payable between the 1st and the 10th day of the following month.
15 Under California Labor Code section 210, either a statutory penalty or a civil penalty through
16 PAGA may be recovered for a violation of California Labor Code section 204, but not both.
17 Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim set
18 forth below.

19 44. California Labor Code sections 201 and 202 provide that if an employer discharges
20 an employee, the wages earned and unpaid at the time of discharge are due and payable
21 immediately. If an employee quits his or her employment, his or her wages shall become due and
22 payable not later than seventy-two (72) hours of quitting, unless the employee has given seventy-
23 two (72) hours of notice of his or her intention to quit, in which cases the employee is entitled to
24 his or her wages at the time of quitting.

25 45. California Labor Code section 203 provides that if an employer fails to pay an
26 employee all wages due at termination or within seventy-two (72) hours of resignation, in
27 accordance with sections 201 and 202, then that employee's wages shall continue as a penalty
28 until paid for a period of up to thirty (30) days from the date they were due. California Labor Code

1 section 203 further provides that the statute of limitations to recover the penalty is the same as the
2 statute of limitations for recovery of the unpaid wages from which the penalties arise, i.e. three
3 years.

4 46. Plaintiffs alleged that Defendant intentionally and willfully failed to pay Plaintiffs
5 and the other putative class members all wages due to them upon termination, within the time
6 period permissible under California law. For example, Plaintiffs alleged that putative class
7 members are entitled to unpaid wages arising from, inter alia, off-the-clock work, as well as meal
8 and rest period premiums, thereby triggering waiting-time penalties under California Labor Code
9 section 203.

10 47. Based on information and data provided by Defendant, it was estimated that
11 approximately four hundred eighteen (418) putative class members had been terminated during
12 the three-year statute of limitations (i.e., from September 16, 2017). Assuming that these
13 individuals were not timely paid all wages due to them upon termination, the potential value of
14 waiting-time penalties claim was estimated to be \$1,707,446.40 collectively (418 individuals x
15 [30 days x hourly rate of \$17.02 x 8 hours]), or approximately \$4,084.80 per individual. However,
16 this presumes that Plaintiffs would prevail on the underlying California Labor Code claims, which
17 is necessary to show that Defendant failed to timely pay wages that were due to the putative class
18 members upon termination.

19 48. Defendant was adamant that no waiting-time penalties should be awarded.
20 Defendant pointed out that waiting-time penalties are derivative of each and every other
21 underlying alleged California Labor Code violations and contended that it paid the terminated
22 employees all wages due and owing. Moreover, Defendant emphasized that, under California
23 Labor Code section 203, employers are only obligated to pay waiting-time penalties if they
24 “willfully” fail to pay wages due and owing at the time of termination or resignation. As Title 8,
25 California Code of Regulations, section 13520 states,

26 A willful failure to pay wages within the meaning of Labor Code
27 Section 203 occurs when an employer intentionally fails to pay wages
28 to an employee when those wages are due. However, a good faith
dispute that any wages are due will preclude imposition of waiting
time penalties under Section 203.

A “good faith dispute” that any wages are due occurs when an

1 employer presents a defense, based in law or fact, which, if successful,
2 would preclude any recovery on the part of the
3 employee. The fact that a defense is ultimately unsuccessful will not
4 preclude a finding that a good faith dispute did exist. Defenses
presented which, under all the circumstances, are unsupported by any
evidence, are unreasonable, or are presented in bad faith, will preclude
a finding of a “good faith dispute.”

5 49. Accordingly, to assess the likely recovery of waiting-time penalties, Plaintiffs’
6 Counsel also took into consideration the chances of prevailing on each of the underlying causes of
7 action, as well as the additional hurdles of prevailing on the claim for waiting-time penalties,
8 including the inherent difficulty in proving the “willful” prong of section 203, applicable case law,
9 costs and expenses associated with further litigation and certification, the circumstances and
10 realities of the cases, and risks to recovery, and applied appropriate discounts for them. At this
11 juncture, a discount of 50% was applied to account for the risks associated with obtaining and
12 maintaining certification (bringing the value of the claim closer to \$853,723.20), a discount of
13 60% was applied to account for the risks associated with succeeding on the merits and establishing
14 liability (bringing the value of the claim closer to \$341,489.28), and a discount of 70% was applied
15 to account for the risks associated with proving the extent of damages and obtaining an award
16 thereof (bringing the value of the claim closer to \$102,446.78).

17 **E. Wage Statement Violations**

18 50. Plaintiffs also alleged that, for example, by failing to account for all time worked
19 and pay all wages due, Defendant violated California Labor Code section 226(a) which states that
20 an employer must provide an accurate and itemized wage statement twice a month or each time
21 wages are paid, whichever is the more frequent. Failure to do so entitles employees to recover the
22 greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation
23 occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding
24 an aggregate penalty of four thousand dollars (\$4,000). See Cal. Lab. Code § 226(e). Arguably,
25 actual damages may be sought, under a three-year statute of limitations, or, statutory penalties may
26 be sought, under a one-year statute of limitations.

27 ///

28 ///

1 51. Based on information and data reviewed and analyzed, it is estimated that
2 approximately two hundred thirty-four (234) putative class members worked during the one-year
3 statutory limitations period (i.e., from September 16, 2019 to May 9, 2022), and that these putative
4 class members worked a total of ten thousand six hundred eighty-four (10,684) pay periods. Based
5 on Plaintiffs' Counsel's investigations and analysis, it was determined that the employees would
6 meet the maximum aggregate penalty of four thousand dollars and therefore the estimated potential
7 value of this claim is \$936,000.00 ([\$4000 maximum aggregate penalty] x [234 putative class
8 members]).

9 52. Defendant contended that Plaintiffs and putative class members suffered no actual
10 injury from the alleged wage statement violations. Defendant also contended that this alleged
11 violation is entirely derivative of the foregoing allegations. In other words, Plaintiffs would have
12 to prove, for example, that off-the-clock work occurred, that overtime was worked, that all hours
13 of work had not been properly recorded and compensated, and/or that non-compliant meal and rest
14 periods occurred and that Defendant did not pay premiums, etc., to demonstrate that the wage
15 statements were inaccurate. Defendant further contended, *inter alia*, that if off-the-clock and/or
16 overtime work occurred and was not reflected in the wage statements, it was because the work
17 was hidden from Defendant. Defendant also contended that no actual injury can be shown. When
18 assessing the value of this claim, Plaintiffs' Counsel considered these factors, the derivative nature
19 of this alleged violation, the chances of prevailing on each of the underlying causes of action,
20 applicable case law and regulations, costs and expenses associated with further litigation and
21 certification, realities of the cases, and risks to recovery, and applied appropriate discounts for
22 them. At this juncture, a discount of 40% was applied to account for the risks associated with
23 obtaining and maintaining certification (bringing the value of the claim closer to \$561,600.00), a
24 discount of 60% was applied to account for the risks associated with succeeding on the merits and
25 establishing liability (bringing the value of the claim closer to \$224,640.00), and a discount of
26 70% was applied to account for the risks associated with proving the extent of damages and
27 obtaining an award thereof (bringing the value of the claim closer to \$67,392.00).

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1 **F. Failure to Maintain Requisite Payroll Records**

2 53. Plaintiffs alleged that Defendant had intentionally and willfully failed to keep
3 accurate and complete payroll records showing the hours worked daily by, and the wages paid to,
4 Plaintiffs and the putative class members, for example, by failing to account for all time worked
5 by and pay all wages due to Plaintiffs and putative class members. Plaintiffs also alleged that
6 Defendant's intentional and willful failure to keep accurate payroll records violated the statutorily-
7 protected right to accurate and complete payrolls records, and that Plaintiffs and the putative class
8 members have suffered injury and damage as a result.

9 54. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a
10 central location in the state or at the plants or establishments at which employees are employed,
11 payroll records showing the hours worked daily by and the wages paid to, and the number of piece-
12 rate units earned by and any applicable piece rate paid to, employees employed at the respective
13 plants or establishments. These records must be kept in accordance with rules established for this
14 purpose by the Labor Commissioner, but in any case, shall be kept on file for not less than three
15 years. Under California Labor Code section 1174.5, a willful violation of the employer's
16 recordkeeping obligations set forth in Labor Code 1174(d) is subject to a civil penalty of \$500.
17 Arguably, however, this civil penalty would only be recoverable by the Labor Commissioner,
18 however, Plaintiffs assert a cause of action under PAGA. Therefore, the value of this claim is
19 considered as a part of the valuation of the PAGA claim contained *infra*.

20 55. Defendant contended that Plaintiffs and putative class members suffered no actual
21 injury or damage from the alleged recordkeeping violations. Moreover, Defendant challenged
22 certification of the recordkeeping issue on the basis that individual liability issues predominated,
23 including (a) whether each putative class member's payroll records were not maintained properly,
24 and (b) whether Defendant's alleged failure to keep requisite payroll records was "willful." Like
25 the wage statement violations, this cause of action is entirely derivative of the causes of action for
26 failure to pay overtime and minimum wages and failure to provide compliant meal and rest
27 periods.

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1 56. However, the valuation of this claim assumed that Plaintiffs would be able to prove
2 that all hours of work had not been recorded and compensated properly and accurately, that non-
3 compliant meal and rest breaks did occur, but Defendant did not provide premium pay for them,
4 etc., in order to demonstrate that Defendant failed to maintain accurate and complete payroll
5 records.

6 57. As such, when assessing the value of this claim, Plaintiffs' Counsel took the
7 foregoing factors into account, as well as Defendant's defenses and contentions, the derivative
8 nature of this cause of action, the chances of prevailing on the other causes of action, the inherent
9 difficulty in proving the "willful" prong of California Labor Code section 1174.5, applicable case
10 law, costs and expenses of further litigation and certification, and risks to recovery and applied
11 appropriate discounts for settlement purposes.

12 **G. Unreimbursed Business Expenses**

13 58. Plaintiffs contended that Defendant failed to reimburse Plaintiffs and other putative
14 class members for necessary business expenses, including but not limited to, costs for usage of
15 personal cell phones, the costs for complying with Defendant's dress code, the costs for the
16 purchase of equipment for business purposes, and the costs for the use of personal vehicles for
17 work purposes.

18 59. California Labor Code section 2802 requires an employer to indemnify its
19 employees for all necessary expenditures made by the employee in direct consequence of the
20 discharge of his or her duties, or of his or her obedience to the directions of the employer.

21 60. Defendant contended that it has a policy and practice of reimbursing employees for
22 necessary business-related expenses. Defendant also produced wage statements reflecting mileage
23 reimbursement and auto allowance paid to many of the putative class members. Defendant also
24 contended that, with respect to the alleged expenses for which Plaintiffs and other putative class
25 members never requested reimbursement from Defendant, Defendant did not know and had no
26 reason to know that the alleged business-related expenses were incurred. Defendant further
27 contended that the reason for why a putative class member undertook certain expenses, while not
28 others, and failed to receive reimbursement for certain expenses while not others, would raise

individual issues that could not be certified.

61. Defendant also contended that the California Labor Code only requires reimbursement of “necessary” expenses—as opposed to any expense that is incurred in the course of performing work—and argued that distinguishing a necessary expense from an unnecessary one would require individualized inquiry. See, Cal. Lab. Code § 2802; *Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554. Furthermore, whether or not an expense was necessary, would depend, in part, on the reasonableness of the employee’s choice, and whether or not an expense was incurred, would have to be established by way of extensive individual factual inquiry and/or statistical evidence. *Cochran v. Schwan’s Home Services, Inc.* (2014) 228 Cal.App.4th 1137.

62. If Plaintiffs proved that Defendant willfully failed to reimburse necessary business-related expenses to putative class members in the amount of five dollars (\$5) each per workweek during the relevant time period, the potential value of this claim would be \$151,820.00 (30,364 total workweeks x \$5 business expenses). Plaintiffs’ Counsel also took into consideration that, not only would it have to be established that expenses were incurred, but also that the nature of the expenses were such that Defendant was required to reimburse them. While Plaintiffs’ Counsel disagreed with Defendant’s arguments and factual contentions, Plaintiffs’ Counsel considered Defendant’s arguments, applicable case law and regulations, the costs and expenses associated with further litigation and certification, the circumstances and realities of the cases, and risks to recovery, and applied appropriate discounts for them. At this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining certification (bringing the value of the claim closer to \$60,728.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of the claim closer to \$24,291.20), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of the claim closer to \$7,287.36).

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H. Unfair Business Practices

63. Plaintiff Arriola asserted a cause of action for Defendant's alleged violation of the California's Unfair Competition Law, Business and Professions sections 17200, et seq. ("UCL") which prohibits any "unlawful, unfair or fraudulent business practices." A violation of the UCL may be predicated on the violation of any law.

64. Arguably, California Business and Professions Code section 17208 extends the statute of limitations on Plaintiff Arriola's other allegations, which qualify as unfair business practices, to four (4) years. However, claims brought under the UCL are equitable actions for injunctive or restitutionary relief, and a court may take into consideration equitable defenses when fashioning equitable remedies. Restitution under the UCL is limited to returning to Plaintiff Arriola and putative class members monies unlawfully withheld, such as unpaid wages or unpaid meal or rest period premiums, or restitutionary disgorgement.

65. Plaintiff Arriola contended that each of Defendant's alleged violations of the California Labor Code constitute business practices that are either unlawful (i.e., is forbidden by law) and/or unfair (i.e., harm to victim outweighs any benefit). In order to prevail on the UCL cause of action, Plaintiff Arriola would have to prove that Defendant violated the predicate provisions of law, and that the violations constitute unlawful and/or unfair business acts and practices in violation of California Business and Professions Code sections 17200, et seq. Plaintiff Arriola would have to prove that Defendant's conduct throughout the time period at issue has been unfair, unlawful, harmful, and injurious to Plaintiff Arriola and putative class members. With respect to the UCL's standing requirement, Plaintiff Arriola would also have to prove that he suffered an economic injury as a result of Defendant's conduct.

66. As discussed above, Defendant vigorously challenged the likelihood of Plaintiffs' success in establishing that any of provisions of the California Labor Code, on which the UCL claim is predicated, were violated and that such violations were injurious. Throughout this litigation, Defendant also relentlessly challenged Plaintiff Arriola's standing and adequacy to assert class claims and contended there were individualized issues that would pose challenges to certification. When assessing the likelihood of prevailing on this cause of action, Plaintiffs'

Counsel considered all of the above, as well as Defendant's factual contentions and legal arguments, the chances of prevailing on the other causes of action, costs and expenses associated with further litigation and certification, and risks to recovery, and applied appropriate discounts for settlement purposes.

I. PAGA Penalties

67. Under the PAGA, as amended, California Labor Code sections 2698, *et seq.*, civil penalties that may be assessed and collected by the state labor agency, for a violation of the California Labor Code, may, as an alternative, be recovered by an aggrieved employee plaintiff. If the California Labor Code already specifies and provides a civil penalty for the violation of a provision of the California Labor Code, said civil penalty is recoverable by the aggrieved employee plaintiff. Additionally, the PAGA statute establishes a civil penalty that is recoverable by an aggrieved employee plaintiff, for violation of provisions of the California Labor Code for which the California Labor Code does not specifically provide for a civil penalty, as follows: one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code § 2699(f). Pursuant to California Labor Code section 2699(i), seventy-five percent (75%) of the penalties recovered are to be allocated to the State of California, with the remaining twenty-five percent (25%) allocated to the aggrieved employees. The statute of limitations period applicable to such penalties is one year prior to the filing of the complaint. Cal. Civ. Proc. Code § 340.

68. Defendant contended that violations of multiple provisions of the California Labor Code do not give rise to cumulative penalties, but that instead, the initial violation penalty and subsequent violation penalty provided by statute, should only apply once per pay period, if at all, rather than cumulatively for each separate California Labor Code provision that is, arguably, violated during a pay period.

69. Defendant also contended that an important feature of the PAGA statute is that, when determining whether or not to assess a penalty, the court exercises the same discretion that the Labor Commissioner has, and may reduce the penalties to be assessed against the employer

1 pursuant to California Labor Code section 2699(e)(1)-(2). As such, Defendant contended that,
2 with respect to a PAGA claim, the Court was unlikely to assess cumulative penalties for the
3 maximum number of possible, separate California Labor Code violations, because it would be
4 unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be
5 governed by multiple provisions of the California Labor Code that are interrelated and work in
6 tandem.

7 70. Defendant also maintained and continue to maintain that they had legally-compliant
8 employment policies and practices throughout the statutory period. Defendant denied and
9 continue to deny that they ever violated any provision of the California Labor Code and argued,
10 that, even if, *arguendo*, such violations occurred, Defendant will not be treated as having engaged
11 in subsequent violations giving rise to heightened penalties. In other words, Defendant argued
12 that heightened civil penalties for subsequent violations would not be assessed unless it could be
13 shown that Defendant had notice that they were violating the law, e.g., because they had been cited
14 by a labor agency or adjudged by a court to have done so. See, e.g., *Amaral v. Cintas Corp. No.*
15 *2* (2008) 163 Cal.4th 1157, 1209. Defendant argued that it would be able to show a lack of
16 willfulness in the violations, such that the alleged California Labor Code violations would not be
17 considered “willful.” Defendant contended that, at best, even if a violation giving rise to a penalty
18 was shown for each pay period, only the lower civil penalty associated with initial violations would
19 apply.

20 71. Importantly, to prevail on the PAGA claim, Defendant contended that some courts
21 have required Plaintiffs to show at the outset that they have suffered injury, in order to establish
22 standing, and that Plaintiffs would also have to prove all requisite elements to prove violations of
23 the underlying California Labor Code provisions, in order to show that Defendant’s conduct gives
24 rise to penalties. The overtime and meal and rest period allegations are fundamental to this action;
25 however, for the reasons discussed above, there were substantial challenges to showing liability
26 and exposure for these claims. Defendant argued that Plaintiffs would not be able to establish
27 violations of the underlying California Labor Code provisions and the fundamental allegations
28 regarding overtime and meal and rest periods. Defendant also contended that multiple

1 individualized issues vitiated the manageability of representative adjudication of PAGA penalties.

2 72. Defendant would also likely seek bifurcation of discovery and/or trial of the PAGA
3 claim—multiple courts have taken such an approach.

4 73. Defendant also maintained that, in addition to its strong arguments against the
5 underlying claims, taking the current unsettled state of law, it would be unjust to award the
6 maximum potential PAGA penalties. There was a dearth of law and guidance regarding trials
7 and/or assessment of penalties under the PAGA statute, and there is no clearly-established
8 methodology for the valuation and/or assessment of PAGA penalties.

9 74. Defendant also contended that, before a PAGA claim could be tried, under existing
10 law, the court of law would have to be satisfied that the adjudication of the PAGA claim, based
11 on a theory of uniform wage and hour practices relating to a large group of aggrieved employees,
12 is sufficiently “manageable” so as not to interfere with Defendant’s right to due process.
13 Defendant alleged that the putative class members’ job titles, job duties, and locations varied.
14 Defendant contended that there was variation as to the circumstances that could allegedly cause
15 the employees to work overtime or to be deprived of the opportunity to take legally-compliant,
16 duty-free meal and/or rest periods. Defendant further contended that these issues presented
17 challenges not only to liability, but challenges to Plaintiffs’ ability to show that a PAGA claim
18 could be efficiently and manageably adjudicated without abridging Defendant’s due process
19 rights.

20 75. Defendant pointed to case law that held that, given the derivative nature of a PAGA
21 claim, it would stand or fall based on the claims from which it derives, and the success of showing,
22 *inter alia*, off-the-clock work, failure to properly pay wages, failure to reimburse for expenses,
23 etc. Defendant also pointed to case law demonstrating that courts have attributed little separate
24 value to PAGA claims, for example, allowing them to be resolved for \$0 where the other
25 underlying California Labor Code claims are being resolved. See, e.g. *Matter of Nordstrom*
26 *Commission Cases* (2010) 186 Cal.App.4th 576, 588-590 (No abuse of discretion by the trial court
27 in approving the allocation of \$0 toward PAGA penalties, where PAGA claim is resolved as a part
28 of an overall resolution of the underlying California Labor Code violations); *Franco v. Ruiz Food*

1 *Prods, Inc.* (E.D. Cal. Nov. 27, 2012) No. 1:10-cv-02354-SKO, 2012 WL 5941801, at *14
2 (Approving allocation of \$10,000, out of the settlement of \$2.5 million, toward the settlement of
3 the PAGA claim); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) No.1:10-CV-0324-AWI-
4 SKO, 2012 WL 5364655, at *3 (Approving the allocation of \$10,000, out of the settlement of \$3.7
5 million, toward the settlement of the PAGA claim); *Chu v. Wells Fargo Investments, LLC* (N.D.
6 Cal. Feb. 16, 2011) No. C 05-4526 MHP, C 0647924 MHP, 2011 WL 672645, at *1 (Approving
7 the allocation of \$10,000, out of the settlement of \$6.9 million, toward the settlement of the PAGA
8 claim); *Jack v. Hartford Ins. Co.* (S.D. Cal. Oct. 13, 2011) No. 3:09-cv-1683-MMA (JMA), 2011
9 WL 4899942, at *18 (Approving the allocation of \$3,000, out of the settlement of \$1.2 million,
10 toward the settlement of the PAGA claim); *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11,
11 2012) 2012 WL 2117001, at *14 (approving the allocation of \$10,000, out of the settlement of
12 \$518,245, toward settlement of the PAGA claim).

13 76. Assuming that the Court would be satisfied that the PAGA claim was susceptible to
14 being efficiently tried and adjudicated on a representative basis, and assuming that civil penalties
15 in the amount of \$1,600 could be covered for each of the two hundred sixteen (216) Aggrieved
16 Employees who were estimated to have worked during the PAGA Period (i.e., from October 28,
17 2019 to May 9, 2022), the PAGA penalties at issue, which the Court could determine whether or
18 not to assess and whether or not to reduce, were estimated to be approximately \$345,600.00 (216
19 individuals x \$1,600 civil penalties).

20 77. Plaintiffs' Counsel recognized the realities of Defendant's arguments, evidence and
21 information obtained through investigations as well as from Defendant, the circumstances and
22 realities of the cases, the current state of the law, the costs of continued litigation, and the risks to
23 recovery, and applied appropriate discounts for them. At this juncture, a discount of 20% was
24 applied to account for the risks associated with establishing manageability and possible bifurcation
25 of discovery and/or trial (bringing the value of the claim closer to \$276,480.00), a discount of 50%
26 was applied to account for the risks associated with succeeding on the merits and establishing
27 liability (bringing the value of the claim closer to \$138,240.00), and a discount of 40% was applied
28 to account for the risks associated with proving the extent of penalties that are warranted and

possible discretionary reduction of penalties by the Court (bringing the value of the claim closer to \$82,944.00).

J. Summary

78. The foregoing discussion confirms that the amount of the Settlement is adequate in light of the merits of these cases, Plaintiffs' allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to monetary recovery. Plaintiffs' Counsel estimates that the potential value to be recovered if Plaintiffs were successful at trial on all of the claims is \$5,466,445.16 and the total value that could reasonably be expected to be awarded at trial, taking into account the likelihood of prevailing and other attendant risks, is \$487,976.87. Seen in this light, the Settlement Fund of \$1,000,000.00 represents 16.86% of the potential value and 204.93% of the risk-adjusted value of the claims.

Principle Claim	Potential Value	Risk-Adjusted Realistic Value
1. Failure to Pay Overtime Wages	\$775,192.92	\$69,767.36
2. Failure to Pay Minimum Wages	\$516,795.28	\$46,511.58
3. Failure to Provide Compliant Meal Periods and Associated Premiums	\$516,795.28	\$62,015.44
4. Failure to Provide Compliant Rest Periods and Associated Premiums	\$516,795.28	\$49,612.35
5. Failure to Timely Provide Wages and Waiting-Time Penalties	\$1,707,446.40	\$102,446.78
6. Failure to Provide Compliant Wage Statement	\$936,000.00	\$67,392.00
7. Failure to Maintain Requisite Payroll Records	See item 9.	
8. Failure to Reimburse Business Expenses	\$151,820.00	\$7,287.36
9. Unfair Business Practices	See items 1, 2, 3 and 7.	
10. Private Attorneys General Act	\$345,600.00	\$82,944.00
Total:	\$5,466,445.16	\$487,976.87

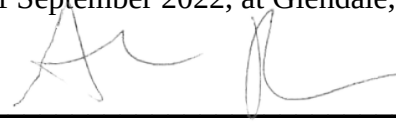
The conclusion to be drawn from the foregoing analysis is that neither class certification, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide basis is clear-cut, which is why the Parties elected to settle this matter. Plaintiffs' Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the costs and expenses of further

litigation and certification, and risks to recovery and applied appropriate discounts as discussed above. This Settlement involves highly disputed claims and, like most other settlements, is the product of compromise.

79. Plaintiffs' Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interests of Plaintiffs, the Class, and the State of California. Plaintiffs' Counsel also submits that the Settlement and accompanying moving papers satisfy the requirements set forth in the Class Action Case Management Order #1 issued by the Court, as reflected in the concurrently-filed Compliance Chart. Plaintiffs' Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 20th day of September 2022, at Glendale, California.



Alexandra Rose

EXHIBIT 1

1 **CLASS ACTION AND PAGA SETTLEMENT AND RELEASE OF CLAIMS**

2 This Class Action and PAGA Settlement and Release of Claims (the “Settlement
3 Agreement,” “Agreement,” or “Settlement”) is entered into to resolve the consolidated actions
4 entitled *Les Arriola v. Multi Mechanical Inc.* (“Arriola Action”), Riverside County Superior Court
5 Case No. RIC 2003696, and *Armando Zuniga v. Multi Mechancial, Inc.* (“Zuniga Action”),
6 Riverside County Superior Court Case No. CVRI2104327 (collectively, the *Arriola* Action and
7 *Zuniga* Action are referred to as the “Action”).

8 **DEFINITIONS**

9 1. Action. “Action” means *Les Arriola v. Multi Mechanical Inc.*, Riverside County
10 Superior Court Case No. RIC 2003696, and *Armando Zuniga v. Multi Mechancial, Inc.*, Riverside
11 County Superior Court Case No. CVRI2104327.

12 2. Agreement or Settlement or Settlement Agreement. “Agreement” or “Settlement”
13 or “Settlement Agreement” means this Class Action and PAGA Settlement Agreement and
14 Release of Claims, entered into by the Parties to resolve the Action.

15 3. Aggrieved Employees. “Aggrieved Employees” means all non-exempt employees
16 of Defendant employed in California at any time during the PAGA Period.

17 4. Attorneys’ Fees and Costs. “Attorneys’ Fees and Costs” means the amounts
18 authorized by the Court for: (i) up to thirty-five percent (35%) of the Settlement Fund (*i.e.*, up to
19 \$350,000.00 if the Settlement Fund is \$1,000,000.00) for attorneys’ fees to Class Counsel for
20 litigation and resolution of the matter; and (ii) reimbursement of up to Fifteen Thousand Dollars
21 (\$15,000.00) for actual costs and expenses incurred by Class Counsel in connection with the
22 Action.

23 5. Case Management Order: “Case Management Order” means the Class Action
24 Case Management Order #1 filed by the Court on December 28, 2020, or any subsequent Class
25 Action Case Management Order filed by the Court in the Action.

26 6. Class Counsel. “Class Counsel” means Edwin Aiwazian, Arby Aiwazian, Joanna
27 Ghosh, and Alexandra Rose of Lawyers *for* Justice, PC.

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1 7. Class or Class Members. “Class” or “Class Member(s)” mean all non-exempt
2 employees of Defendant employed in California at any time during the the Class Period.

3 8. Class List. “Class List” means a complete list of all Class Members that
4 Defendant will diligently and in good faith compile from its records and provide to the Settlement
5 Administrator, which will include each Class Member’s last-known full name, mailing address,
6 telephone number, Social Security Number, dates employed as a non-exempt employee of
7 Defendant in California during the Class Period, and such other information as is necessary for the
8 Settlement Administrator to calculate Workweeks.

9 9. Class Notice. “Class Notice” means the Notice of Class Action Settlement,
10 attached as **Exhibit A** to this Agreement, or a substantially similar notice approved by the Court.

11 10. Class Period. “Class Period” means the period from September 16, 2016 through
12 May 9, 2022.

13 11. Class Released Claims. “Class Released Claims” means all claims that arise from
14 the facts, matters, transactions, or occurrences, alleged in the Operative Complaints or that could
15 have been alleged in the Operative Complaints based on such facts. The Class Released Claims
16 include, but are not limited to, claims for: unpaid wages; unpaid overtime; missed, late or short
17 meal periods; missed, late or short rest breaks; non-compliant wage statements; failure to timely
18 pay wages during employment and/or at the time of termination; failure to keep requisite payroll
19 records, failure to reimburse business expenses; violations of California Labor Code sections 200-
20 204, 210, 218.5, 226, 226.7, 510, 512, 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198,
21 2800, and 2802, and IWC California Wage Orders 1-2001, 4-2001, 7-2001, and 16-2001; and
22 violation of California Business and Professions Code sections 17200, *et seq.*

23 12. Class Settlement. “Class Settlement” means the settlement and resolution of the
24 Class Released Claims.

25 13. Court. “Court” means the Riverside County Superior Court, where the Action is
26 currently pending.

27 14. Defendant. “Defendant” means Multi-Mechanical, Inc.
28

1 15. Effective Date. The “Effective Date” of this Agreement will be the later of (i) the
2 61st day after service of notice of entry of the Final Approval Order and Judgment, if no appeal,
3 review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Final Approval
4 Order and Judgment, the day after the Final Approval Order and Judgment is affirmed or the
5 appeal, review, or writ is dismissed or denied, and the Final Approval Order and Judgment is no
6 longer subject to further judicial review. The Effective Date is conditioned upon the Court having
7 entered the Final Approval Order and Judgment as set forth in this Agreement.

8 16. Employer Taxes. “Employer Taxes” means the employer’s share of taxes and
9 contributions in connection with the wages portion of Individual Settlement Payments, which shall
10 be paid by Defendant separately and in addition to the Settlement Fund.

11 17. Enhancement Awards. “Enhancement Award(s)” means the amounts the Court
12 authorizes to be paid to the Plaintiffs in addition to their Individual Settlement Payments and
13 Individual PAGA Payments (if applicable), in recognition of their efforts and work in prosecution
14 of the Action, not to exceed \$7,500.00 each (for a total of \$15,000.00).

15 18. Exclusion Form. “Exclusion Form” means the Exclusion Form, attached as
16 **Exhibit B** to this Agreement, or a substantially similar exclusion form approved by the Court.

17 19. Final Approval Hearing. “Final Approval Hearing” means the hearing on which
18 the Court will consider and determine final approval of the Settlement.

19 20. Final Approval Order and Judgment. “Final Approval Order and Judgment” means
20 the proposed order granting final approval of the Settlement and entering judgment, which Class
21 Counsel will submit to the Court with the motion for final approval of the Settlement.

22 21. Individual Settlement Payment. “Individual Settlement Payment” means the *pro*
23 *rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the
24 Class Settlement, as set forth in Paragraph 57.e.

25 22. Individual PAGA Payment. “Individual PAGA Payment” means the *pro rata* share
26 of the Aggrieved Employee Amount that an Aggrieved Employee is eligible to receive for the
27 PAGA Settlement, as set forth in Paragraph 57.e.

23. Net Settlement Amount. “Net Settlement Amount” means the amount to be distributed to Participating Class Members, which is the Settlement Fund less the amounts awarded for the Attorneys’ Fees and Costs, the Enhancement Awards, the PAGA Amount, and Settlement Administration Costs.

24. Notice Packet. “Notice Packet” means the Class Notice, Exclusion Form, and Objection Form, substantially in the forms attached as **Exhibit A**, **Exhibit B**, and **Exhibit C**, respectively.

25. Objection. “Objection” means an Objection Form or a Class Member’s written objection to the Class Settlement, which must: (a) contain the case name and number of the *Arriola* Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

26. Objection Form. “Objection Form” means the Objection Form, attached as **Exhibit C** to this Agreement, or a substantially similar objection form approved by the Court.

27. Opt-Out Request. “Opt-Out Request” means an Exclusion Form or a Class Member’s written letter indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the *Arriola* Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

28. PAGA Released Claims. “PAGA Released Claims” means those claims for civil penalties under PAGA that arise from the facts, matters, transactions, or occurrences alleged in the Operative Complaints and LWDA Letters or that could have been alleged in the Operative Complaints and LWDA Letters based on such facts. Without limiting the foregoing, and in

1 addition to the foregoing, the PAGA Released Claims include all penalties available under
2 California Labor Code section 2699 for the claims encompassed by the Class Released Claims.

3 29. PAGA Amount. “PAGA Amount” means the amount of One Hundred Thousand
4 Dollars (\$100,000.00), which represents the portion of the Settlement Fund allocated to the PAGA
5 Settlement. The PAGA Amount is paid from the Settlement Fund, and will be allocated as set
6 forth in Paragraph 57.d. The Parties agree that 75% of the PAGA Amount (\$75,000.00) will be
7 paid to the Labor and Workforce Development Agency (“LWDA”) as the “LWDA Payment,” and
8 the remaining 25% (\$25,000.00) will be allocated to the Aggrieved Employees as the “Aggrieved
9 Employee Amount.”

10 30. PAGA Period. “PAGA Period” means the period from October 28, 2019 through
11 May 9, 2022.

12 31. PAGA Settlement. “PAGA Settlement” means the settlement and resolution of
13 the PAGA Released Claims.

14 32. Parties. “Parties” means the Defendant and Plaintiffs, individually. Each of the
15 Parties may be referred to in the singular as a “Party.”

16 33. Participating Class Members. “Participating Class Member(s)” means all Class
17 Members who do not submit a timely and valid Opt-Out Request.

18 34. Plaintiffs. “Plaintiffs” means Les Arriola and Armando Zuniga.

19 35. Preliminary Approval Order. “Preliminary Approval Order” means an order from
20 the Court preliminarily approving this Settlement.

21 36. Released Parties. “Released Parties” means and includes Defendant and its
22 officers, directors, and employees.

23 37. Response Deadline. “Response Deadline” means the time period commencing on
24 the date the Notice Packet is initially mailed to Class Members and ending sixty (60) calendar days
25 thereafter. In the event that a Notice Packet is re-mailed to a Class Member, the Response Deadline
26 for that Class Member shall be extended by fifteen (15) calendar days from the initial Response
27 Deadline.

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1 38. Settlement Administration Costs. “Settlement Administration Costs” means the
2 amount not to exceed Thirteen Thousand Dollars (\$13,000.00) for the costs of settlement
3 administration, including costs of notice to Class Members, distributing settlement payments, and
4 any other fees and costs incurred or charged by the Settlement Administrator in connection with the
5 execution of its duties under this Settlement.

6 39. Settlement Administrator. “Settlement Administrator” means Phoenix Class
7 Action Administration Solutions or such other third-party administrator chosen by the Parties and
8 approved by the Court for purposes of administering this Settlement. The Parties and their counsel
9 each represent that they do not have any financial interest in the Settlement Administrator or
10 otherwise have a relationship with the Settlement Administrator that could create a conflict of
11 interest.

12 40. Settlement Fund. “Settlement Fund” means the total settlement payment Defendant
13 has agreed to make under this Agreement. The total Settlement Fund is, and shall not exceed, One
14 Million Dollars (\$1,000,000.00), other than as provided in Paragraph 56. Defendant shall pay the
15 Employer Taxes separately and in addition to the Settlement Fund.

16 41. Workweeks. “Workweeks” means the number of weeks each Class Member
17 worked for Defendant as a non-exempt employee in California during the Class Period, which will
18 be calculated by the Settlement Administrator by reference to the number of paychecks tendered
19 to each Class Member, given that Defendant paid Class Members on a weekly basis during the
20 Class Period.

21 42. Workweeks Dispute. “Workweeks Dispute” means a Class Member’s written
22 letter disputing the pre-printed information on the Class Notice as to his or her Workweeks, which
23 must: (a) contain the case name and number of the *Arriola* Action; (b) contain the Class Member’s
24 full name, signature, address, telephone number, and last four (4) digits of Social Security Number;
25 (c) clearly state that the Class Member disputes of the number of Workweeks credited to him or
26 her and what he or she contends is the correct number to be credited to him or her; (d) attach any
27 documentation that he or she has to support the dispute; and (e) be submitted by mail to the
28 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

RECITALS

43. On September 16, 2020, Plaintiff Les Arriola filed a putative Class Action Complaint for Damages (“*Arriola Complaint*”) against Defendant Multi Mechanical Inc. in the case entitled *Arriola v. Multi Mechanical Inc.*, Riverside County Superior Court Case No. RIC2003696. The *Arriola Complaint* alleges that Defendant violated various wage-and-hour laws, including: (1) unpaid overtime; (2) unpaid meal period premiums; (3) unpaid rest period premiums; (4) unpaid minimum wages; (5) final wages not timely paid; (6) wages not timely paid during employment; (7) non-compliant wage statements; (8) failure to keep requisite payroll records; (9) unreimbursed business expenses; and (10) violation of California Business & Professions Code §§ 17200, *et seq.* On October 28, 2020, Plaintiff Les Arriola provided written notice by certified mail to the LWDA and Defendant of the specific provisions of the California Labor Code that were violated, and on January 8, 2021, Plaintiff Les Arriola provided a follow-up notice as well (collectively, “*Arriola LWDA Letter*”). On April 5, 2021, Plaintiff Les Arriola filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.*, adding a cause of action for civil penalties under PAGA (“*Arriola First Amended Complaint*”).

44. On July 16, 2021, Plaintiff Armando Zuniga provided written notice by certified mail to the LWDA and Defendant of the specific provisions of the California Labor Code that were violated (“*Zuniga LWDA Letter*”) (the *Arriola LWDA Letter* and *Zuniga LWDA Letter* are collectively referred to as the “*LWDA Letters*”). On September 22, 2021, Plaintiff Armando Zuniga filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“*Zuniga PAGA Complaint*”), asserting a single cause of action for PAGA civil penalties against Defendant Multi Mechanical, Inc. in the case entitled *Zuniga v. Multi Mechanical, Inc.*, Riverside County Superior Court Case No. CVRI2104327. The *Zuniga PAGA Complaint* alleges that the Defendant: (1) failed to pay overtime; (2) failed to provide meal periods; (3) failed to provide rest breaks; (4) failed to pay minimum wages; (5) failed to timely pay wages upon termination; (6) failed to timely pay wages during employment; (7) failed to provide complete and accurate wage statements; (8) failed to keep complete and accurate payroll records;

1 and (9) failed to provide reimbursement for business expenses.

2 45. On December 30, 2021, the Court ordered the *Arriola* Action and *Zuniga* Action to
3 be consolidated, with the *Arriola* Action designated as the lead case. Together, the *Arriola* First
4 Amended Complaint and *Zuniga* Complaint are referred to as the “Operative Complaints”.

5 46. Defendant denies that it engaged in any misconduct in connection with the wage-
6 and-hour practices associated with the Class Members (inclusive of the Aggrieved Employees).
7 Defendant further denies that it has any liability of any kind associated with the claims alleged in
8 the Action. Defendant contends that it has complied with both federal and state wage-and-hour
9 laws, and all other laws regulating its relationship with the Class Members, including the Plaintiffs.

10 47. On March 10, 2022, the Parties participated in mediation with Lynn Frank, Esq.
11 (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
12 of the Mediator’s evaluations, the Parties reached the settlement that is memorialized in this
13 Agreement.

14 48. Class Counsel has investigated the facts relating to the Action. Settlement
15 discussions were conducted at arm’s-length, a full-day mediation with a neutral third-party took
16 place, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential
17 liability and exposure in relation to the costs and risks associated with continued litigation. Based
18 on the documents produced, as well as Class Counsel’s own independent investigation and
19 evaluation, Class Counsel believes that the Settlement documented by this Settlement Agreement
20 is fair, reasonable, and adequate, and in the best interest of the Class, State of California, and
21 Aggrieved Employees in light of all known facts and circumstances, including the risk of
22 significant delay and defenses asserted to the merits of the Action. While Defendant specifically
23 denies any liability in the Action, Defendant has agreed to enter into this Settlement to avoid the
24 costs associated with defending the Action.

25 **TERMS AND CONDITIONS**

26 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
27 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
28 the consideration and undertakings set forth below, Plaintiffs, individually and on behalf of the

1 Class Members, Aggrieved Employees, and the State of California with respect to the Aggrieved
2 Employees, and Defendant agree that the Action shall be and is finally and fully compromised and
3 settled on the following terms and conditions:

4 49. Non-Admission Of Liability. The Parties enter into this Agreement to resolve the
5 dispute that has arisen between them and to avoid the burden, expense and risk of continued
6 litigation. In entering into this Agreement, Defendant and the other Released Parties do not admit,
7 and specifically deny, that they have violated any federal, state, or local law; violated any
8 regulations or guidelines promulgated pursuant to any statute or any other applicable laws,
9 regulations or legal requirements; breached any contract; violated or breached any duty; engaged
10 in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
11 the Class or the Aggrieved Employees. Neither this Agreement, nor any of its terms or provisions,
12 nor any of the negotiations connected with it, shall be construed as an admission or concession by
13 Defendant or any of the other Released Parties of any such violations or failures to comply with
14 any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement,
15 this Agreement and its terms and provisions shall not be offered or received as evidence in any
16 action or proceeding to establish any liability or admission on the part of Defendant or to establish
17 the existence of any condition constituting a violation of, or a non-compliance with, federal, state,
18 local or other applicable law.

19 50. Conditional Nature Of Settlement. For settlement purposes *only*, the Parties agree
20 that (a) a class may be certified in the Action pursuant to California Code of Civil Procedure
21 Section 382, and (b) the Action may proceed as a PAGA representative action.

22 a. The Parties intend their settlement to be contingent upon the preliminary
23 and final approval of each and every term of this Agreement, without material modification. The
24 Parties and their respective counsel shall use their respective best reasonable efforts to obtain Court
25 approval and implement this Agreement in accordance with its terms. If the Court does not so
26 approve this Agreement, the Parties agree to meet and confer to address the Court's concerns. If
27 the Parties are unable to agree upon a resolution, the Parties intend this Agreement to become null
28 and void, and unenforceable, in which event the settlement terms set forth in this Agreement,

1 including any modifications made with the consent of the Parties, and any action taken or to be
2 taken in connection with this Agreement shall be terminated and shall become null and void and
3 have no further force or effect, and the class certified for settlement purposes pursuant to this
4 Agreement will be decertified for all purposes.

5 b. In the event the Court does not grant preliminary or final approval of the
6 Parties' settlement, or in the event that this Agreement shall terminate or the settlement embodied
7 in this Agreement does not become effective for any reason, the Agreement and all negotiations,
8 court orders and proceedings relating to the Agreement shall be without prejudice to the rights of
9 the Plaintiffs, Class Members and Defendant, each of whom shall be restored to their respective
10 positions existing prior to the execution of this Agreement, and evidence relating to the Agreement
11 and all negotiations shall not be discoverable or admissible in the Action or any other litigation.
12 Defendant does not waive, and instead expressly reserves, its rights to challenge the propriety of
13 class certification and/or the Action proceeding on a representative basis for any purpose should
14 the Court not grant preliminary or final approval of the Parties' settlement.

15 51. Participating Class Members' Release Of Class Released Claims. Upon the
16 Effective Date and full funding of the Settlement Fund, the Plaintiffs and all Participating Class
17 Members hereby do and shall be deemed to have fully, finally, and forever released, settled,
18 compromised, relinquished and discharged any and all of the Released Parties from the Class
19 Released Claims that arose during the Class Period.

20 a. This release by the Plaintiffs and each Participating Class Member is
21 intended to settle any and all of the Class Released Claims, whether known or unknown, that any
22 of them may have against Defendant or any of the Released Parties during the Class Period. Thus,
23 even if the Plaintiffs or any Participating Class Member may subsequently discover facts in
24 addition to or different from those they now know or believe to be true with respect to the subject
25 matter of the Class Released Claims that arose during the Class Period, they shall be deemed to
26 have, and by operation of the Final Approval Order and Judgment shall have fully, finally, and
27 forever settled and released any and all Class Released Claims that arose during the Class Period,
28 whether known or unknown, suspected or unsuspected, contingent or non-contingent, whether or

1 not concealed or hidden, which now exist, or have existed upon any theory of law or equity now
2 existing or coming into existence in the future.

3 b. Because it is impossible or impracticable to have each Participating Class
4 Member execute this Agreement, the Class Notice will advise all Class Members of the binding
5 nature of the Class Settlement as to the Participating Class Members and such notice will have the
6 same force and effect as if the Agreement were executed by each Participating Class Member.

7 52. Aggrieved Employees' Release of PAGA Released Claims: Upon the Effective
8 Date and full funding of the Settlement Fund, the Plaintiffs, State of California with respect to all
9 Aggrieved Employees, and all Aggrieved Employees hereby do and shall be deemed to have fully,
10 finally, and forever released, settled, compromised, relinquished and discharged any and all of the
11 Released Parties from the PAGA Released Claims that arose during the PAGA Period. The
12 Aggrieved Employees and the State of California will be deemed by operation of the Final
13 Approval Order and Judgment to have agreed not to sue or otherwise make a claim against
14 Defendant and any of the Released Parties for the PAGA Released Claims that arose during the
15 PAGA Period.

16 53. General Release By The Plaintiffs. Upon the Effective Date and full funding of the
17 Settlement Fund, the Plaintiffs fully release and discharge Defendant and the other Released
18 Parties from all claims that the Plaintiffs now have or claim to have, or have ever had or claimed
19 to have, against the Released Parties through the date of execution of the Settlement Agreement.
20 Without limiting the generality of the foregoing, the Plaintiffs specifically and expressly release
21 to the maximum extent permitted by law any claims against Defendant and the Released Parties,
22 arising out of or relating to the Plaintiffs' respective employment or the termination of their
23 employment with Defendant and any of the other Released Parties. This general release by the
24 Plaintiffs includes a waiver of Plaintiffs' respective rights under Civil Code Section 1542, which
25 provides: "**A general release does not extend to claims that the creditor or releasing party**
26 **does not know or suspect to exist in his or her favor at the time of executing the release and**
27 **that, if known by him or her, would have materially affected his or her settlement with the**
28 **debtor or released party.**"

54. No Prior Assignments. The Parties and their counsel represent 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 rights released and discharged by this Agreement.

55. Allocation Of Settlement Fund. Subject to final Court approval and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth in this Agreement, Defendant agrees to pay the Settlement Fund of \$1,000,000.00. The Settlement Fund includes Individual Settlement Payments, Attorneys' Fees and Costs, Enhancement Awards, the PAGA Amount, and Settlement Administration Costs. The following table summarizes the allocation of the Settlement Fund:

Settlement Fund of \$1,000,000.00, Allocated As Follows:

- **\$100,000.00** for the PAGA Amount
 - **\$75,000.00** for the LWDA Payment.
 - **\$25,000.00** for the Aggrieved Employee Amount.
- Attorneys' Fees and Costs
 - not to exceed **35%** of the Settlement Fund (i.e., \$350,000.00 if the Settlement Fund is \$1,000,000.00) for attorneys' fees
 - not to exceed **\$15,000.00** for reimbursement of costs and expenses
- Up to **\$7,500.00** for an Enhancement Award to each of the Plaintiffs
- Settlement Administration Costs, not to exceed **\$13,000.00**

56. Settlement Escalator. In preparation for the mediation, Defendant represented that there were approximately 27,604 total Workweeks for the period from September 16, 2016 to January 14, 2022. The Parties understood that the Workweeks would increase between the date of the mediation and the end of the Class Period and, therefore, considered this during their settlement negotiations. Accordingly, should the actual number of Workweeks increase by more than ten percent (10%) through May 9, 2022 (i.e. by more than 2,760 Workweeks), Defendant will have the choice of either: (a) paying an increase of the Settlement Fund on a proportional percentage basis equal to the percentage increase in the number of Workweeks above 10% during the Class Period, or (b) ending the Class Period on such a date that is necessary to limit the number

1 of Workweeks to 30,364 or fewer. Thus, for example, if the number of Workweeks increases by
2 11% through May 9, 2022 to 30,640 Workweeks, the Settlement Fund will increase by 1% if
3 Defendant elects option (a).

4 57. Apportionment of Settlement Fund. The Parties agree, subject to Court approval
5 and the conditions specified in this Agreement, that the Settlement Fund shall be apportioned as
6 follows:

7 a. Attorneys' Fees and Costs: At the final approval hearing, Class Counsel
8 will apply to the Court for an award of Attorneys' Fees and Costs incurred by Class Counsel,
9 which shall not exceed 35% of the Settlement Fund (i.e., \$350,000.00 if the Settlement Fund is
10 \$1,000,00.00) for attorneys' fees and up to \$15,000.00 for reimbursement of actual costs and
11 expenses associated with Class Counsel's litigation and settlement of the Action. Defendant will
12 not oppose such application. The Attorneys' Fees and Costs are included in, and shall come from,
13 the Settlement Fund. Class Counsel will be issued an IRS Form 1099 for any Attorneys' Fees and
14 Costs awarded by the Court pursuant to this Paragraph 57.a. Except as provided in this Paragraph
15 57.a, each Party will bear his, her, or its own attorneys' fees, costs, and expenses incurred in the
16 prosecution, defense, or settlement of the Action. If the Court awards a lower amount of
17 Attorneys' Fees and Costs than the amount requested, any amount not awarded will be part of the
18 Net Settlement Amount for the benefit of the Participating Class Members as set forth in this
19 Agreement and shall not be a reason to invalidate/terminate this Agreement. With respect to the
20 Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an
21 annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral
22 vehicles, for Class Counsel, and any additional expenses for doing so shall be paid separately by
23 Class Counsel and shall not be included within the Settlement Administration Costs. Defendant
24 and Defendant's counsel shall not be liable for any expenses associated with the purchase or use
25 of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator.

26 b. Settlement Administration Costs: At the final approval hearing, Class
27 Counsel will apply to the Court for approval of Settlement Administration Costs not to exceed the
28 amount of \$13,000.00. Defendant will not oppose such application. The Settlement

1 Administration Costs are included in, and shall come from, the Settlement Fund. Any portion of
2 the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact
3 awarded or required to fulfill payment to the Settlement Administrator to undertake the required
4 settlement administration duties will be part of the Net Settlement Amount for the benefit of
5 Participating Class Members.

6 c. Enhancement Awards: At the final approval hearing, Class Counsel will
7 apply to the Court for an award of up to \$7,500.00 to be paid to each of the Plaintiffs as an
8 Enhancement Award for their services and for assuming the risks associated with the litigation of
9 the Action, and as consideration for providing a general release. Defendant will not oppose such
10 application. The Enhancement Awards are included in, and shall come from, the Settlement Fund.
11 Plaintiffs will each be issued an IRS Form 1099 for the Enhancement Awards approved by the
12 Court pursuant to this Paragraph. The Enhancement Awards payable to each Plaintiff shall be in
13 addition to any payment they may receive pursuant to Paragraph 57.e, below. If the Court awards
14 less than the amounts requested, any amounts not awarded will be part of the Net Settlement
15 Amount for the benefit of the Participating Class Members as set forth in this Agreement and shall
16 not be a reason to invalidate/terminate this Agreement.

17 d. PAGA Amount: At the final approval hearing, Class Counsel will apply to
18 the Court for approval of the PAGA Amount of \$100,000.00 for claims for civil penalties asserted
19 under PAGA. Defendant will not oppose such application. Class Counsel will submit notice of
20 this Settlement to the LWDA, as required by Labor Code § 2699(l)(2). The Parties agree that 75%
21 of the PAGA Amount (\$75,000.00) will be paid to the LWDA as the LWDA Payment, and the
22 remaining 25% (\$25,000.00) will be allocated to the Aggrieved Employees as the Aggrieved
23 Employee Amount.

24 e. Settlement Payments. The Individual Settlement Payments shall consist of
25 each Participating Class Member's *pro rata* portion of the Net Settlement Amount and the
26 Individual PAGA Payments shall consist of each Aggrieved Employee's *pro rata* portion of the
27 Aggrieved Employee Amount.

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1 i) Individual Settlement Payments: Each Participating Class Member's
2 Individual Settlement Payment will be calculated by the Settlement Administrator by dividing the
3 Participating Class Member's number of Workweeks during the Class Period by the total number
4 of Workweeks of all Participating Class Members during the Class Period and multiplying this
5 figure by the Net Settlement Amount. The Class Notice will include the number of Workweeks of
6 each Class Member during the Class Period and the estimated amount of the Class Member's
7 Individual Settlement Payment.

8 f. Individual PAGA Payments: Each Aggrieved Employee's Individual
9 PAGA Payment will be calculated by the Settlement Administrator by dividing the Aggrieved
10 Employee's number of Workweeks during the PAGA Period by the total number of Workweeks
11 of all Aggrieved Employees during the PAGA Period and multiplying this figure by the Aggrieved
12 Employee Amount. The Class Notice will include the number of Workweeks of each Aggrieved
13 Employee during the PAGA Period and the estimated amount of the Aggrieved Employee's
14 Individual PAGA Payment.

15 g. The Parties acknowledge and agree that the formulas used to calculate the
16 Individual Settlement Payments and Individual PAGA Payments does not mean that all of the
17 elements of damages, restitutionary relief, and penalties alleged in the Action are not being taken
18 into account. The above formula was devised as a practical and logistical method to simplify the
19 payment process. Any Class Members who were employed during the PAGA Period and who opt
20 out of the Class Settlement will still be considered Aggrieved Employees for purposes of this
21 Paragraph 57.g and, therefore, will (i) receive their Individual PAGA Payment; and (ii) release all
22 PAGA Released Claims against the Released Parties.

23 h. Individual Settlement Payments shall be distributed only to Participating
24 Class Members and Individual PAGA Payments will be distributed to all Aggrieved Employees.

25 i. The Parties agree that, under no circumstances shall Defendant be obligated
26 to pay any amount under this Agreement to any Class Member other than Participating Class
27 Members, with the exception of the Individual PAGA Payments.

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1 58. No Credit Toward Benefit Plans. The Individual Settlement Payments and
2 Individual PAGA Payments will not be utilized to calculate any additional benefits under any
3 benefit plans to which any Participating Class Member or Aggrieved Employee may be eligible
4 including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans,
5 vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
6 intention that this Agreement will not affect any rights, contributions, or amounts to which any
7 Participating Class Member or Aggrieved Employee may be entitled under any benefit plans.

8 59. Taxation Of Settlement Proceeds.

9 a. Individual Settlement Payments shall be reported as follows: (i) twenty
10 percent (20%) as wages, which will be reported on an IRS W-2 Form; and (ii) eighty (80%) as
11 interest, penalties, and non-wage damages, which will be reported on an IRS Form 1099. The
12 Individual PAGA Payments will be considered one hundred percent (100%) penalties and will be
13 reported on an IRS Form 1099. The Settlement Administrator will withhold the employee's share
14 of taxes and withholdings with respect to the wages portion of the Individual Settlement Payments,
15 and issue checks to Participating Class Members for their Individual Settlement Payments net of
16 these taxes and withholdings. The Employer Taxes shall be paid by Defendant separately and in
17 addition to the Settlement Fund.

18 b. Prior to mailing the Individual Settlement Payments, the Settlement
19 Administrator will calculate, withhold from the Individual Settlement Payments, and remit to
20 applicable governmental agencies sufficient amounts as may be owed by Participating Class
21 Members for required employee withholdings and taxes, including all payroll taxes. The
22 Settlement Administrator will issue appropriate tax forms to each Participating Class Member and
23 Aggrieved Employee consistent with the foregoing breakdown. The Parties understand that the
24 Plaintiffs, Participating Class Members, and Aggrieved Employees who receive an Individual
25 Settlement Payment and/or Individual PAGA Payment pursuant to this Agreement shall be solely
26 responsible for any and all tax obligations associated with such receipt.

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1 c. The Parties stipulate that the Settlement Fund will qualify as a settlement
2 fund pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code of 1986, as
3 amended, and Section 1.468B-1 *et seq.* of the federal income tax regulations. Furthermore, the
4 Settlement Administrator is designated as the “Administrator” of the qualified settlement funds for
5 purposes of Section 1.468B-2(k) of the income tax regulations.

6 d. All Parties represent and acknowledge that nothing in this Agreement
7 constitutes tax advice regarding the tax treatment of payments under federal, state, or local law.
8 The Plaintiffs, Participating Class Members, and Aggrieved Employees will assume any such tax
9 obligations or consequences that may arise from this Agreement and Class Members shall not seek
10 any indemnification from the Parties or any of the Released Parties in this regard. In the event that
11 any taxing body determines that additional taxes are due from any Participating Class Member,
12 including Plaintiffs, such Participating Class Member assumes all responsibility for the payment
13 of such taxes.

14 60. Notice Procedure. Within fourteen (14) calendar days after entry of the Preliminary
15 Approval Order, Defendant will provide the Class List to the Settlement Administrator. Defendant
16 will provide the Class List in an Excel file or other format reasonably acceptable to the Settlement
17 Administrator. The Settlement Administrator will keep the list confidential and use it only for the
18 purposes described in this Agreement.

19 a. Upon receipt of the Class List, the Settlement Administrator shall perform
20 a search based upon the National Change of Address Database to update and correct any known
21 or identifiable address changes. The Settlement Administrator shall exercise its best judgment to
22 determine the current mailing address for each Class Member. Within fourteen (14) calendar days
23 after receipt of the Class List from Defendant, the Settlement Administrator will send the Notice
24 Packet in English and Spanish to each Class Member via First Class U.S. Mail.

25 b. The Settlement Administrator will re-mail any Notice Packet returned by
26 the United States Postal Service with a forwarding address promptly.

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1 c. The Settlement Administrator will use the appropriate skip tracing and
2 National Change of Address searches to increase the likelihood of delivery of the Notice Packet to
3 Class Members, and to re-mail the Notice Packets returned by the Postal Service without a
4 forwarding address upon locating new or alternate addresses after a reasonable search, within five
5 (5) calendar days.

6 d. Class Counsel will provide to the Court, in connection with seeking final
7 approval of the Settlement, a declaration from the Settlement Administrator confirming that the
8 Notice Packet was mailed to all Class Members as required by this Agreement, as well as any
9 additional information Class Counsel deems appropriate to provide to the Court.

10 61. Dispute Procedure. The Class Notice will include the procedure by which a Class
11 Member may dispute the number of Workweeks allocated to him or her by submitting a timely
12 and valid Workweeks Dispute. Upon receipt of a Workweeks Dispute, the Settlement
13 Administrator shall promptly serve Class Counsel and Defendant's counsel with a copy of the
14 Workweeks Dispute and any accompanying papers. No Workweeks Dispute shall be effective or
15 considered for any purpose unless it is timely mailed to the Settlement Administrator by U.S. mail,
16 postmarked on or before the Response Deadline. Defendant shall have the right to respond to the
17 Workweeks Dispute by any Class Member. All information and documents relating to any such
18 disputes will be provided to Class Counsel. The Settlement Administrator will resolve the
19 Workweeks Dispute and make a final and binding determination without hearing or right of appeal.
20 The Settlement Administrator's determination will be subject to review by the Court at the time of
21 the Final Approval Hearing so long as the Participating Class Member submits an objection to the
22 Settlement Administrator's determination at or before the Final Approval Hearing. Within
23 fourteen (14) calendar days after the close of the Response Deadline, the Settlement Administrator
24 will provide Class Counsel and Defendant's counsel with a report listing the amount of all
25 Individual Settlement Payments to be made to Participating Class Members and all Individual
26 PAGA Payments to be made to Aggrieved Employees. The report to Class Counsel will not
27 include the names or contact information of Participating Class Members and Aggrieved
28 Employees.

1 62. Opt-Out Procedure. Unless a Class Member opts out of the Class Settlement
2 described in this Agreement, the Class Member will be bound by the terms and conditions of the
3 Class Settlement, including the release of the Class Released Claims that arose during the Class
4 Period. A Class Member will not be entitled to opt out of the Class Settlement unless the Class
5 Member submits a timely and valid Opt-Out Request to the Settlement Administrator by U.S. mail,
6 postmarked on or before the Response Deadline. Class Members and Aggrieved Employees
7 cannot opt out of the PAGA Settlement. Any Class Member who is also considered an Aggrieved
8 Employee and who opts out of the Class Settlement will still be bound by the terms and conditions
9 of the PAGA Settlement, including the release of the PAGA Released Claims that arose during the
10 PAGA Period, and will be issued their Individual PAGA Payment (if applicable).

11 a. Upon receipt of any Opt-Out Request within the Response Deadline, the
12 Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the
13 opt-out requirements of this Agreement.

14 b. Any Class Member who fails to submit a timely and valid Opt-Out Request
15 will be barred from opting out of the Class Settlement and will be deemed a Participating Class
16 Member unless otherwise ordered by the Court. If the Settlement Administrator receives a timely
17 Opt-Out Request that is incomplete, it will make reasonable attempts to contact the Class Member
18 to cure the defect. The Settlement Administrator will not consider any Opt-Out Request
19 postmarked after the end of the Response Deadline, but will report its receipt of any such requests
20 to Class Counsel and counsel for Defendant. It shall be presumed that, if an Opt-Out Request is
21 not postmarked on or before the end of the Response Deadline, the Class Member did not make
22 the request in a timely manner. A declaration submitted by any Class Member attesting to the
23 mailing of an Opt-Out Request on or before the expiration of the Response Deadline shall be
24 insufficient to overcome the conclusive presumption that the Opt-Out Request was untimely.
25 Under no circumstances shall the Settlement Administrator have the authority to extend the
26 deadline for Class Members to submit an Opt-Out Request without the written consent of counsel
27 for the Parties.

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1 c. At the close of the Response Deadline, the Settlement Administrator shall
2 report the names of all individuals who opted-out of the Class Settlement to counsel for the Parties
3 and include this information in a declaration regarding the distribution of the Notice Packet that
4 will be provided in support of Plaintiffs' motion for final approval.

5 d. If Class Members who account for five percent (5%) or more of the total
6 Workweeks, timely opt out of the Class Settlement, Defendant will have the sole and absolute
7 discretion to withdraw from this Agreement within fourteen (14) calendar days after Defendant
8 receives notice of the number of Opt-Out Requests. Defendant will provide written notice to Class
9 Counsel if it intends to withdraw from this Agreement. In the event that Defendant elects to so
10 withdraw, the withdrawal shall have the same effect as a termination of this Agreement for failure
11 to satisfy a condition of settlement, and the Agreement shall become null and void and have no
12 further force or effect, and the class certified pursuant to this Agreement will be decertified for all
13 purposes. If the Settlement Agreement is terminated for this or any other reason, including the
14 Court's failure to grant final approval of the Settlement, then Defendant will be responsible for the
15 Settlement Administrator's fees and costs up to termination.

16 63. Objections To the Class Settlement. Any Class Member who has not opted out of
17 the Class Settlement (i.e., Participating Class Member) may object to the Class Settlement by
18 submitting a timely and valid Objection by U.S. mail, postmarked on or before the Response
19 Deadline to the Settlement Administrator (who shall promptly provide a copy to Class Counsel
20 and counsel for Defendant). Class Counsel will ensure that any Objections get filed with the Court
21 concurrently with the final approval documents. Participating Class Members who have not
22 objected in writing may still appear and object orally at the Final Approval Hearing.

23 a. Class Counsel or Defendant's counsel may, before the Final Approval
24 Hearing, file responses to any Objections.

25 b. Unless they opt out of the Class Settlement as specified in Paragraph 62,
26 Class Members who object to the Class Settlement shall remain Participating Class Members, and
27 shall be deemed to have voluntarily waived their right to pursue an independent remedy against
28 Defendant and the other Released Parties. To the extent any Participating Class Member objects

1 to the Class Settlement and such objection is overruled in whole or in part, such individuals shall
2 be bound by the Court's Final Approval Order and Judgment.

3 c. In the event that any person objects to or opposes the Class Settlement, or
4 attempts to intervene in or otherwise enter the Action, the Parties and Class Counsel will use their
5 best efforts to defend the Settlement.

6 64. Funding And Distribution Of Settlement.

7 a. Within fourteen (14) calendar days of the close of the Response Deadline,
8 the Settlement Administrator will provide a draft declaration to Class Counsel and Defendant's
9 counsel setting forth: the total number of Class Members, Participating Class Members and
10 Aggrieved Employees; the identity of those individuals who opted out of the Class Settlement; the
11 total amount payable to all Participating Class Members and Aggrieved Employees; the lowest,
12 highest, and average amounts to be paid to all Participating Class Members and Aggrieved
13 Employees; and the total PAGA Amount, Attorneys' Fees and Costs, Enhancement Awards,
14 Settlement Administration Costs, Net Settlement Amount, and the Employer's Taxes.

15 b. Within thirty (30) calendar days after the Effective Date, Defendant shall
16 remit to the Settlement Administrator: (i) the Settlement Fund and (ii) the Employer's Taxes. The
17 delivery by Defendant of the Settlement Fund to the Settlement Administrator will constitute the
18 full and complete discharge of the entire obligation of Defendant under this Agreement. Released
19 Parties will not have any further obligation or liability to the Plaintiffs, Participating Class
20 Members, Aggrieved Employees, or Class Counsel under this Agreement, regardless of whether
21 the Plaintiffs, Participating Class Members, Aggrieved Employees, or Class Counsel receive the
22 payments from the Settlement Administrator set forth in this Agreement.

23 c. The distribution of Individual Settlement Payments to Participating Class
24 Members and Individual PAGA Payments to Aggrieved Employees will occur no later than
25 twenty-one (21) calendar days after receipt of the Settlement Fund from Defendant. No person
26 will have any claim against the Settlement Administrator, Defendant, Plaintiffs, Class Counsel,
27 Defendant's counsel, or any other agent designated by the Plaintiffs or Class Counsel based upon
28 the distribution of Individual Settlement Payments and Individual PAGA Payments made

1 substantially in accordance with this Agreement or further orders of the Court.

2 d. The distribution of the LWDA Payment, Attorneys' Fees and Costs,
3 Settlement Administration Costs, and the Enhancement Awards shall occur no later than twenty-
4 one (21) calendar days after the Settlement Administrator receives the Settlement Fund from
5 Defendant.

6 e. The Settlement Administrator will be responsible for issuing the Individual
7 Settlement Payments by way of check to the Participating Class Members and the Individual
8 PAGA Payments by way of check to the Aggrieved Employees, in accordance with this Settlement
9 Agreement. The Settlement Administrator may, at its discretion, distribute the Individual
10 Settlement Payment and Individual PAGA Payment by way of a single check that combines both
11 payments (if applicable). If a Participating Class Member's Individual Settlement Payment check
12 and/or an Aggrieved Employee's Individual PAGA Payment check is returned to the Settlement
13 Administrator, the Settlement Administrator will make reasonable efforts to re-mail it to the
14 Participating Class Member and/or Aggrieved Employee at the correct address. It is expressly
15 understood and agreed that each individual Individual Settlement Payment and Individual PAGA
16 Payment check will be valid and negotiable for one-hundred eighty (180) calendar days after
17 mailing, and thereafter, will be cancelled. Pursuant to California Code of Civil Procedure Section
18 384, all funds associated with such cancelled checks will be transmitted to California Rural Legal
19 Assistance, Inc., a non-profit organization providing civil legal services to California's rural,
20 indigent population, including projects and work on behalf of workers who suffer wage and hour
21 violations. The Parties and their counsel each represent that they do not have any significant
22 affiliation or involvement with the proposed *cy pres* recipient. The Settlement Administrator
23 shall mail a reminder postcard to any Participating Class Member and/or Aggrieved Employee
24 whose Individual Settlement Payment and/or Individual PAGA Payment check has not been
25 negotiated within sixty (60) calendar days after the date of mailing. The Settlement
26 Administrator may, as necessary, undertake amended and/or supplemental tax filings and
27 reporting, required under applicable local, state, and federal tax laws, that are necessitated due to
28 the cancellation of any Individual Settlement Payment checks or Individual PAGA Payment

1 checks. To the extent that the Settlement Administrator is able to obtain or receive the return or
2 refund of the amounts that were transmitted to taxing authorities for the employer's and
3 employees' share of taxes, contributions, and/or withholding associated with cancelled Individual
4 Settlement Payments, all such amounts shall also be transmitted to California Rural Legal
5 Assistance, Inc. Participating Class Members whose Individual Settlement Payment checks are
6 cancelled and Aggrieved Employees whose Individual PAGA Payment checks are cancelled, shall,
7 nevertheless, be bound by this Settlement Agreement.

8 f. Defendant will not be obligated to make any payments contemplated by this
9 Agreement unless and until the Court enters the Final Approval Order and Judgment, and after the
10 Effective Date of the Agreement.

11 g. Within sixty (60) calendar days of the completion of the mailing of the
12 Individual Settlement Payment and Individual PAGA Payment checks, the Settlement
13 Administrator will provide written certification of completion of settlement administration to Class
14 Counsel and to Defendants' counsel.

15 65. Binding Effect Of Agreement On Participating Class Members. Subject to final
16 Court approval and the occurrence of the Effective Date, and unless otherwise provided in this
17 Agreement, all Participating Class Members will be bound by this Agreement.

18 66. Binding Effect Of Agreement On Aggrieved Employees and State of California.
19 The Aggrieved Employees and the State of California with respect to the Aggrieved Employees
20 are deemed by operation of the Final Approval Order and Judgment to have agreed not to sue or
21 otherwise make a claim against Defendant or any of the Released Parties for any of the PAGA
22 Released Claims that arose during the PAGA Period.

23 67. Provisional Approval Of Settlement. Plaintiffs will file a motion in the *Arriola*
24 Action requesting that the Court enter the Preliminary Approval Order. Defendant will not oppose
25 Class Counsel's motion for preliminary approval of the Settlement so long as the motion and
26 supporting papers are consistent with the terms of this Agreement. Class Counsel will provide
27 Defendant's counsel with a reasonable opportunity to review, and provide comments to, the motion
28 for preliminary approval of the Settlement before the motion and supporting papers are filed with

1 the Court. Defendant's counsel will meet and confer with Class Counsel regarding any disputed
2 factual statements in the motion for preliminary approval before the filing of the motion with the
3 Court.

4 68. Non-Interference With Claims Procedure. The Parties and their counsel agree that
5 they will not advise, solicit, or otherwise encourage any Class Members to submit Opt-Out
6 Requests or Objections or to appeal from the Final Approval Order and Judgment.

7 69. Final Approval Order and Judgment. Plaintiffs will request that the Court enter,
8 after the Final Approval Hearing, a Final Approval Order and Judgment. Plaintiffs will request
9 that the Final Approval Order and Judgment certify the Class; find that this Agreement is fair, just,
10 equitable, reasonable, adequate and in the best interests of the Class, State of California, and the
11 Aggrieved Employees; list the employees (if any) who opted-out of the Class Settlement; order
12 that the Participating Class Members release the Released Parties from the Class Released Claims
13 that arose during the Class Period and Aggrieved Employees and the State of California with
14 respect to the Aggrieved Employees release the Released Parties from the PAGA Released Claims
15 that arose during the PAGA Period, as set forth in this Agreement; and require the Parties to carry
16 out the provisions of this Agreement.

17 70. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason
18 this Agreement does not become final, the Settlement will be null and void and the orders,
19 judgment, and dismissal to be entered pursuant to this Agreement shall be vacated, and the Parties
20 will be returned to the status quo prior to entering this Agreement with respect to the Action, as if
21 the Parties had never entered into this Agreement, and the class certified pursuant to this
22 Agreement will be decertified for all purposes. In addition, in such event, the Agreement and all
23 negotiations, court orders, and proceedings relating to this Agreement shall be without prejudice
24 to the rights of any and all parties to this Agreement, and evidence relating to the Agreement and
25 all negotiations shall not be admissible or discoverable in the Action or otherwise.

26 71. No Double Recovery. No person who has already released, assigned, or otherwise
27 forfeited the claims asserted in the Action that arose during the Class Period will be considered a
28 Class Member or be entitled to recover under this Agreement.

1 72. No Publicity. Plaintiffs and Class Counsel agree that they shall not discuss, answer
2 questions about, promote, or publicize the filing of the Action, the Parties' settlement, this
3 Agreement and its terms, or the negotiations leading to this Agreement with anyone other than the
4 Court or those individuals necessary to effectuate the terms of the Agreement. The prohibition set
5 forth in this Paragraph 72 includes, but is not limited to: (i) publication by Plaintiffs or Class
6 Counsel on any website (including, without limitation, publishing on any Twitter account,
7 Facebook, other social media, or blog, or business website) of the amount or terms of the
8 Settlement, with or without identifying information; and (ii) the submission of information to
9 Verdicts & Settlements or any other publication that summarizes the results of jury verdicts and
10 settlements.

11 a. Notwithstanding the foregoing, Class Counsel may respond to questions
12 received from, and discuss any aspect of this Agreement with the Class Members or their legal
13 representatives, the Settlement Administrator, the Court, and representatives of the LWDA.

14 b. Notwithstanding the forgoing, nothing in this Paragraph shall prohibit the
15 filing of information with the Court or the LWDA relating to the Settlement that is necessary to
16 effectuate this Agreement, or the online posting of documents relating to the Action by the
17 Settlement Administrator as permitted by this Agreement including the Final Approval Order and
18 Judgment entered by the Court.

19 c. Plaintiffs and Class Counsel agree that all data and information informally
20 produced by Defendant in connection with the settlement of the Action will be maintained in
21 confidence, and will not be shared with any other persons or entities.

22 d. Notwithstanding the foregoing, nothing in this Settlement Agreement
23 shall restrict Class Counsel from disclosing and including all publicly available information
24 regarding this case and the Settlement in any documents filed with any court and/or judicial
25 submissions (e.g., CV's, declarations regarding adequacy or experience, etc.). Furthermore,
26 Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the
27 LWDA in conformity with PAGA.
28

73. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes material changes to the material terms or conditions of Paragraphs 11, 28, 40, 49, 51, 52, 53, 55, 56, 57, 58, or 72 of this Agreement, other than changes to comply with the Court's published Case Management Order, that are not agreed to by the Parties, either Party shall have the right to terminate this Agreement, in which case Defendant would not be obligated to make any payments to any Class Member, to Class Counsel, or to Plaintiffs. The Parties shall meet and confer in good faith before exercising such right.

74. Modification In Writing. Prior to the filing of the motion for preliminary approval of the Settlement, this Agreement may be altered, amended, or modified, in whole or in part, only in a writing signed by counsel for all of the Parties to this Agreement. After the filing of the motion for preliminary approval of the Settlement, this Agreement may be altered, amended, or modified, in whole or in part, only in a writing signed by counsel for all of the Parties to this Agreement, and subject to Court approval. This Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

75. Ongoing Cooperation. Plaintiffs and Defendant will execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement. The execution of such documents must take place prior to the Final Approval Hearing. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or any supplemental provisions that may become necessary to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Mediator.

76. Notices. All notices, requests, demands, and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered personally or by first class mail to the undersigned persons at their respective addresses as set forth below:

CLASS COUNSEL

LAWYERS FOR JUSTICE, P.C.
Edwin Aiwazian, Esq.
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Fax: (818) 265-1021

COUNSEL FOR DEFENDANT

RUTAN & TUCKER, LLP
Brandon L. Sylvia, Esq.
18575 Jamboree Road, 9th Floor
Irvine, California 92612
Telephone: (714) 641-5100

77. Binding on Successors. This Agreement will be binding upon and will inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives.

78. Entire Agreement. This Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Plaintiffs, on the one hand, and Defendant, on the other hand, with respect to the settlement of the Action. This Agreement supersedes any and all prior oral or written understandings, agreements and arrangements between the Parties with respect to the settlement of the Action. Except for those set forth expressly in this Agreement, there are no other agreements, covenants, promises, representations or arrangements between the Parties with respect to the settlement of the Action, the PAGA Released Claims, and the Class Released Claims against Defendant and the Released Parties. The Parties explicitly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

79. Execution In Counterparts. This Agreement may be signed in one or more counterparts. All executed copies of this Settlement Agreement, and photocopies of the Agreement (including facsimile and e-mail copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

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

1 81. Governing Law. This Agreement shall be interpreted, construed, enforced, and
2 administered in accordance with the laws of the State of California, without regard to conflict of
3 law rules.

4 82. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Action and entry
5 of the Final Approval Order and Judgment, the Court shall retain jurisdiction for purposes of
6 interpreting and enforcing the terms of this Agreement pursuant to Code of Civil Procedure section
7 664.6.

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

13 84. Representation and Warranties. Class Counsel and Plaintiffs represent and warrant
14 to Defendant that they are not aware of any attorneys beyond those named as Class Counsel who
15 have claims for fees arising out of the Action or the Settlement contemplated by this Agreement.
16 To the extent those representations are false or other attorneys do have claims for fees arising out
17 of the Actions or this Settlement, Class Counsel agrees to fully indemnify Defendant for any
18 damages it incurs as a result of those claims, including, but not limited to, all attorneys' fees and
19 costs.

20 85. Authorization to Act. Each Party to this Agreement covenants and warrants that
21 (a) such Party has full power and authority to enter into and consummate all transactions
22 contemplated by this Agreement and have duly authorized the execution, delivery and performance
23 of this Agreement and (b) the person executing this Agreement for such Party has the full right,
24 power and authority to enter into this Agreement on behalf of such Party, and the full right, power
25 and authority to execute any and all necessary instruments in connection with the Settlement, and
26 to fully bind such Party to the terms and obligations of this Agreement.

27 ///

28 ///

1 86. Representation By Counsel. The Parties acknowledge that each of them has been
2 represented by their respective counsel throughout all negotiations that preceded the execution of
3 this Agreement, and that this Agreement has been executed with the consent and advice of their
4 respective counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no
5 liens on the Settlement Agreement, and that after entry by the Court of the Final Approval Order
6 and Judgment, the Settlement Administrator may distribute funds to Participating Class Members,
7 Aggrieved Employees, Class Counsel, the LWDA, the Settlement Administrator, and Plaintiffs as
8 provided by this Agreement.

9 87. Representation By Plaintiffs. Plaintiffs agree not to request to be excluded from
10 the Class and not to object to any terms of this Agreement. Any such request by Plaintiffs for
11 exclusion or objection shall be void and of no force or effect.

12 88. Additional Attorneys' Fees and Costs. No Participating Class Member, Aggrieved
13 Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or
14 Aggrieved Employee, may recover or seek to recover any amounts for fees, costs, or disbursements
15 arising from the Action or the Settlement Fund from the Released Parties except as expressly
16 provided in this Agreement.

17 89. No Reliance on Representations. The Parties have made such investigations of the
18 facts and the law pertaining to the matters described in this Agreement as they deem necessary,
19 and have not relied, and do not rely, on any statement, promise, or representation of fact or law,
20 made by any other Party, or any of their agents, employees, attorneys, or representatives, with
21 regard to any of their rights or asserted rights, or with regard to the advisability of making and
22 executing this Agreement, or with respect to any such matters. No representations, warranties, or
23 inducements have been made to any Party concerning this Agreement.

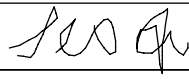
24 90. No Collateral Attack. This Agreement will not be subject to collateral attack by
25 any Class Member or any recipient of the Notice Packet after the Final Approval Order and
26 Judgment. Such prohibited collateral attacks shall include but not be limited to claims that the
27 Class Member failed for any reason to receive timely notice of the procedure for opting out of the
28 Class Settlement.

1 91. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings
2 in the Action (including, and not limited to, the deadline to bring the Action to trial under
3 California Code of Civil Procedure section 583.310), except such proceedings necessary to
4 implement and complete the Settlement Agreement, pending the Final Approval Hearing to be
5 conducted by the Court.

6 IT IS SO AGREED:
7

8 PLAINTIFF LES ARRIOLA
9

10 Dated: 08/31/2022

By:  Electronically Signed 2022-08-31 22:47:13 UTC - 166.196.79.25
Hinter AssuranceSign® 571e7c0b-ec0f-4d4e-8996-a1010168c04

Les Arriola
Plaintiff

13 PLAINTIFF ARMANDO ZUNIGA

14 Dated: _____

By: _____
Armando Zuniga
Plaintiff

19 Dated: _____

DEFENDANT MULTI-MECHANCIAL, INC.

By: _____

Title: _____

91. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including, and not limited to, the deadline to bring the Action to trial under California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

IT IS SO AGREED:

PLAINTIFF LES ARRIOLA

Dated: _____

By: _____
Les Arriola
Plaintiff

PLAINTIFF ARMANDO ZUNIGA

Dated: 8/30/2022

By:  Electronically Signed: 2022-08-31 01:25:28 UTC - 172.58.16.137
Nintex AssureSign® eb80907b-5dc2-4386-9453-401016f3b67

Armando Zuniga
Plaintiff

Dated: _____

DEFENDANT MULTI-MECHANICAL, INC.

By: _____

Title: _____

1 91. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings
2 in the Action (including, and not limited to, the deadline to bring the Action to trial under
3 California Code of Civil Procedure section 583.310), except such proceedings necessary to
4 implement and complete the Settlement Agreement, pending the Final Approval Hearing to be
5 conducted by the Court.

6
7 IT IS SO AGREED:

8
9 PLAINTIFF LES ARRIOLA

10 Dated: _____

11 By: _____
12 Les Arriola
13 Plaintiff

14 PLAINTIFF ARMANDO ZUNIGA

15 Dated: _____

16 By: _____
17 Armando Zuniga
18 Plaintiff

19 Dated: 08/30/2022

20 DEFENDANT MULTI-MECHANICAL, INC.

21 By: 
22 Title: PRESIDENT

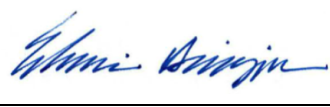
1 APPROVED AS TO FORM AND CONTENT:

2 Dated: 08/31/2022

LAWYERS for JUSTICE, PC

3

4

By: 

5

Edwin Aiwanian

6 APPROVED AS TO FORM AND CONTENT:

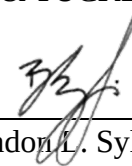
7

8 Dated: 09/08/2022

RUTAN & TUCKER, LLP

9

10

By: 

Brandon L. Sylvia

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Les Arriola v. Multi Mechanical Inc.
Superior Court of California, County of Riverside, Case No. RIC2003696
Armando Zuniga v. Multi Mechanical, Inc.
Superior Court of California, County of Riverside, Case No. CVRI2104327

PLEASE READ THIS NOTICE CAREFULLY.

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

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

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

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Les Arriola and Armando Zuniga (together, "Plaintiffs") and Defendant Multi-Mechanical, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the consolidated cases entitled *Les Arriola v. Multi Mechanical Inc.* ("Arriola Action"), Riverside County Superior Court, Case No. RIC2003696 and *Armando Zuniga v. Multi Mechanical, Inc.* ("Zuniga Action"), Riverside County Superior Court, Case No. CVRI2104327 (together, the *Arriola Action* and *Zuniga Action* are referred to as the "Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all non-exempt employees of Defendant employed in California at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the period from September 16, 2016 through May 9, 2022.

"Class Settlement" means the settlement and resolution of the Class Released Claims (described in Section III.D below).

"Aggrieved Employees" means all non-exempt employees of Defendant employed in California at any time during the PAGA Period.

"PAGA Period" means the period from October 28, 2019 through May 9, 2022.

"PAGA Settlement" means the settlement and resolution of the PAGA Released Claims (described in Section III.D below).

II. BACKGROUND OF THE LAWSUIT

On September 16, 2020, Plaintiff Les Arriola commenced a putative class action lawsuit by filing the Class Action Complaint for Damages in the Riverside County Superior Court, Case No. RIC2003696 ("Arriola Complaint"). On October 28, 2020, Plaintiff Les Arriola provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that were violated, and on January 8, 2021, Plaintiff Les Arriola provided a follow-up notice (collectively, "Arriola LWDA Letter"). On April 5, 2021, Plaintiff Les Arriola filed a First Amended Complaint ("Arriola First Amended Complaint").

On July 16, 2021, Plaintiff Armando Zuniga provided written notice to the LWDA and Defendant of the specific provisions of the California Labor Code that were violated ("Zuniga LWDA Letter") (the Arriola LWDA Letter and Zuniga LWDA Letter are collectively referred to as the "LWDA Letters"). On September 22, 2021, Plaintiff Armando Zuniga filed a Complaint ("Zuniga PAGA Complaint").

On December 30, 2021, the Court ordered the *Arriola* Action and *Zuniga* Action to be consolidated, with the *Arriola* Action designated as the lead case. Together, the *Arriola* First Amended Complaint and *Zuniga* Complaint are referred to as the “Operative Complaints”. Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code sections 17200-17210, and conduct that gives rise to penalties under California Labor Code sections 2698-2699.8 (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies Plaintiffs’ allegations in the Action and denies that it violated any law.

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

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Class Action Administration Solutions as the administrator of the Settlement (“Settlement Administrator”) and Plaintiff Les Arriola as the representative of the Class (“Class Representative”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwarzian
Arby Aiwarzian
Joanna Ghosh
Alexandra Rose
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

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

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiffs, Class Members, or Aggrieved Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members and Aggrieved Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The settlement fund is One Million Dollars (\$1,000,000) (the “Settlement Fund”). The portion of the Settlement Fund that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Settlement Fund less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed 35% of the Settlement Fund (i.e., up to \$350,000 if the Settlement Fund is \$1,000,000) and reimbursement of litigation costs and expenses in an amount not to exceed Fifteen Thousand Dollars (\$15,000) (collectively, “Attorneys’ Fees and Costs”) to Class Counsel; (2) Enhancement Awards in amounts not to exceed Seven Thousand Five Hundred Dollars (\$7,500) each (total, \$15,000) to Plaintiffs for their services in the Action; (3) the amount of One Hundred

Thousand Dollars (\$100,000) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”); and (4) Settlement Administration Costs in an amount not to exceed Thirteen Thousand Dollars (\$13,000) to the Settlement Administrator. The PAGA Amount will be distributed 75% to the LWDA (i.e., \$75,000) (“LWDA Payment”) and the remaining 25% (i.e., \$25,000) will be distributed to Aggrieved Employees (“Aggrieved Employee Amount”).

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period (“Workweeks”).

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

The estimated average Individual Settlement Payment is approximately: \$[estimated average Individual Settlement Payment]

The estimated highest Individual Settlement Payment is approximately: \$[estimated average Individual Settlement Payment]

The estimated lowest Individual Settlement Payment is approximately: \$[estimated average Individual Settlement Payment]

Each Individual Settlement Payment will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) interest, penalties, and other non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Payment will be subject to reduction for the employee's share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Payment. The employer’s share of all taxes and contributions in connection with the wages portion of the Individual Settlement Payments (“Employer Taxes”) shall be paid by Defendant separately and in addition to the Settlement Fund.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the Aggrieved Employee Amount (“Individual PAGA Payment”) based on their Workweeks during the PAGA Period.

The Settlement Administrator has divided each Aggrieved Employee’s individual number of Workweeks during the PAGA Period by the total number of Workweeks of all Aggrieved Employees during the PAGA Period and multiplied that figure by the Aggrieved Employee Amount to yield his or her estimated Individual PAGA Payment he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

The estimated average Individual PAGA Payment is approximately: \$[estimated average Individual PAGA Payment]

The estimated highest Individual PAGA Payment is approximately: \$[estimated average Individual PAGA Payment]

The estimated lowest Individual PAGA Payment is approximately: \$[estimated average Individual PAGA Payment]

Each Individual PAGA Payment will be allocated as 100% penalties, which will be reported on IRS Form 1099 (if applicable).

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

B. Your Workweeks Based on Defendant's Records

According to Defendant’s records:

- **From September 16, 2016 through May 9, 2022 (i.e., the Class Period), you are credited with [redacted] Workweeks.**

- **From October 28, 2019 through May 9, 2022 (i.e., the PAGA Period), you are credited with [REDACTED] Workweeks.**

If you wish to dispute the Workweeks credited to you, you must submit a written letter (“Workweeks Dispute”), which must: (a) contain the case name and number of the *Arriola Action (Les Arriola v. Multi Mechanical Inc., Case No. RIC2003696)*; (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (d) attach any documentation that you have to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked on or before **[Response Deadline]**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Payment and Individual PAGA Payment (if applicable) is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$[REDACTED]. The Individual Settlement Payment is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$[REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Payment and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Release of Claims

Upon the Effective Date and full funding of the Settlement Fund, the Plaintiffs and all Participating Class Members shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties from the Class Released Claims that arose during the Class Period.

Upon the Effective Date and full funding of the Settlement Fund, the Plaintiffs, State of California with respect to all Aggrieved Employees, and all Aggrieved Employees shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties from the PAGA Released Claims that arose during the PAGA Period.

“Class Released Claims” means all claims that arise from the facts, matters, transactions, or occurrences, alleged in the Operative Complaints or that could have been alleged in the Operative Complaints based on such facts. The Class Released Claims include, but are not limited to, claims for: unpaid wages; unpaid overtime; missed, late or short meal periods; missed, late or short rest breaks; non-compliant wage statements; failure to timely pay wages during employment and/or at the time of termination; failure to keep requisite payroll records; failure to reimburse business expenses; violations of California Labor Code sections 200-204, 210, 218.5, 226, 226.7, 510, 512, 551, 552, 558, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission California Wage Orders 1-2001, 4-2001, 7-2001, and 16-2001; and violation of California Business and Professions Code sections 17200-17210.

“PAGA Released Claims” means those claims for civil penalties under PAGA that arise from the facts, matters, transactions or occurrences alleged in the Operative Complaints and LWDA Letters or that could have been alleged in the Operative Complaints and LWDA Letters based on such facts. Without limiting the foregoing, and in addition to the foregoing, the PAGA Released Claims include all penalties available under California Labor Code section 2699 for the claims encompassed by the Class Released Claims.

“Released Parties” refers to Defendant and its officers, directors, and employees.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Settlement Fund (i.e., \$350,000 if the Settlement Fund is \$1,000,000) and reimbursement of litigation costs and expenses in an amount not to

exceed Fifteen Thousand Dollars (\$15,000) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Settlement Fund. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Awards to Plaintiffs

Plaintiffs will seek the amounts of up to Seven Thousand Five Hundred Dollars (\$7,500) each (total, \$15,000) (“Enhancement Awards”), in recognition of their services in connection with the Action. The Enhancement Awards will be paid from the Settlement Fund, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payment and Individual PAGA Payment (if applicable) that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Thirteen Thousand Dollars (\$13,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Opt-Out Requests, Objections, and Workweeks Disputes, calculating Individual Settlement Payments and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Settlement Fund, subject to approval by the Court.

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

A. Participate in the Settlement

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

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Class Released Claims described in Section III.D above.

If you are an Aggrieved Employee, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the PAGA Released Claims described in Section III.D above.

Class Members and Aggrieved Employees will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a written letter indicating a request to be excluded from the Class Settlement, as described below, or by completing and submitting the enclosed Exclusion Form (both of which are referred to as a “Opt-Out Request”) to the Settlement Administrator.

An Opt-Out Request must: (a) contain the case name and number of the *Arriola* Action (*Les Arriola v. Multi Mechanical Inc.*, Case No. RIC2003696); (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security number; (c) contain a clear written statement indicating that you seek exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address below, postmarked on or before **[Response Deadline]**.

[Settlement Administrator]

[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Opt-Out Request will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release

of Class Released Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Opt-Out Request will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. Aggrieved Employees will be bound to the PAGA Settlement (and the release of PAGA Released Claims in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit an Opt-Out Request.

C. Object to the Class Settlement

Class Members may object to the Class Settlement, as long as he or she has not submitted an Opt-Out Request (i.e., Participating Class Members), by submitting a written objection, as described below, or by completing and submitting the enclosed Objection Form (both of which are referred to as an “Objection”) to the Settlement Administrator.

An Objection must: (a) contain the case name and number of the *Arriola* Action (*Les Arriola v. Multi Mechanical Inc.*, Case No. RIC2003696); (b) contain your full name, signature, address, telephone number, last four digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in section IV.B above, postmarked on or before **[Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 1 of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, CA 92501, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Awards to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to. Personal appearances and telephonic appearances are an option.

Please visit the Court’s website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities:
<https://www.riverside.courts.ca.gov/PublicNotices/COVID-19-Court-Operations.php>

You can find information regarding appearing remotely online at:
<https://www.riverside.courts.ca.gov/PublicNotices/remote-appearances.php>. Please note that there may be deadlines to reserve a telephonic or remote appearance, and fees or charges may apply.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Class Action and PAGA Settlement and Release of Claims, which is attached as Exhibit **[#]** to the Declaration of Alexandra Rose in Support of Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement filed on **[MPA filing date]** and other papers which are on file with the Records Management Division of the Riverside County Superior Court, located at the Riverside Historic Courthouse, 4050 Main Street, Riverside, CA 92501. Some documents and information regarding the Action can also be accessed online for a fee or at a minimal charge at the Riverside County Superior Court’s website (<https://epublic-access.riverside.courts.ca.gov/public-portal/>). To look up and access documents and information on the Court’s systems, you will need to use the case number for the *Arriola* Action (Case No. RIC2003696).

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE

FOLLOWING TOLL-FREE NUMBER: [INSERT].

EXHIBIT B

Les Arriola v. Multi Mechanical Inc.

Superior Court of California, County of Riverside, Case No. RIC2003696

Armando Zuniga v. Multi Mechanical, Inc.

Superior Court of California, County of Riverside, Case No. CVRI2104327

EXCLUSION FORM

USE AND RETURN THIS FORM ONLY IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT.

If you wish to exclude yourself from the Class Settlement, you must read and sign the following statement and return this form to the Settlement Administrator, by mail, postmarked on or before **[RESPONSE DEADLINE]**, at the following mailing address:

TBD

[INSERT MAILING ADDRESS]

I request to be excluded from the class action settlement in the matter of *Les Arriola v. Multi Mechanical Inc.* By excluding myself from the class action settlement, I understand that I will not be bound by the settlement and release of the Class Released Claims, and that I will not receive an Individual Settlement Payment. I understand that, nevertheless, if I am an Aggrieved Employee, I will still be bound by the settlement and release of the PAGA Released Claims and will be issued an Individual PAGA Payment.

Date: _____

Full Name: _____

Address: _____

Telephone Number: (____ ____ ____) ____ ____ ____ ____ ____

Signature: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

If you do not wish to exclude yourself from the Class Settlement (and you wish to receive payment from the Class Settlement), you should not return this form – you do not need to take any action.

EXHIBIT C

Superior Court of California, County of Riverside, Case No. CVRI2104327

Date: _____

Full Name: _____

Address: _____

Telephone Number: (____ ____ ____) ____ ____ ____ ____ ____

Signature: _____

To ensure that this form is properly processed on your behalf and to avoid confusion in the event that multiple individuals having the same or similar names submit this form, please provide the last 4 digits of your Social Security Number to the administrator so that your identity may be confirmed:

____ _

If you do not wish to object to the Class Settlement, you should not return this form – you do not need to take any action. If the proposed settlement receives final approval from the Court, the Settlement Administrator will send you a check by U.S. Mail, at the last address the Settlement Administrator has on file for you.