

PAGA SETTLEMENT AGREEMENT

Fernando Acero v. AAA Flag & Banner Mfg. Co., Inc. **Los Angeles County Superior Court, Case No. 20STCV47301**

This Settlement Agreement and Release of Private Attorneys General Act of 2004 Claims ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Fernando Acero ("Plaintiff"), on behalf of himself, Aggrieved Employees, and the State of California, and Defendant AAA Flag & Banner Mfg. Co., Inc. ("Defendant") (collectively, the Parties").

1. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1.1 "Action" means the lawsuit brought by Plaintiff Fernando Acero alleging wage and hour violations against Defendant AAA Flag & Banner Mfg. Co., Inc. entitled, *Fernando Acero v. AAA Flag & Banner Mfg. Co., Inc.*, in Los Angeles County Superior Court, Case No. 20STCV47301, and as set forth in Plaintiff's correspondences to the California Labor and Workforce Development Agency ("LWDA") dated October 5, 2020 and December 9, 2020 ("LWDA Letters").

1.2 "Aggrieved Employees" includes all current and former non-exempt employees of Defendant in the State of California who worked at Defendant's facilities at any time during the PAGA Period.

1.3 "Complaint" means the operative complaint filed by Plaintiff in the Los Angeles County Superior Court in Case No. 20STCV47301 on December 10, 2020.

1.4 "Court" or "Los Angeles County Superior Court" means the Superior Court of California for the County of Los Angeles.

1.5 "Defendant" means Defendant AAA Flag & Banner Mfg. Co., Inc.

1.6 "Defense Counsel" or "Counsel for Defendant" are Jeffrey S. Ranen, Esq., Brendan T. Sapien, Esq., and Billy Sahachartsiri, Esq. of Lewis Brisbois Bisgaard & Smith LLP, 633 West 5th Street, Suite 4000, Los Angeles, California 90071.

1.7 "Effective Date" means the date upon which both of the following have occurred: (i) approval of the Settlement is granted by the Superior Court of California for the County of Los Angeles presiding over this Action, and (ii) the Court's entry of Judgment approving the Settlement.

1.8 "Gross Settlement Amount" or "GSA" means One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00), which is the total amount Defendant agrees to pay under this Settlement. The GSA will be used to pay the Individual PAGA Payments payable to



Plaintiff's Service Payment (not to exceed \$1,000.00), and the Settlement Administrator's Fees (not to exceed \$7,000.00). It is understood that Defendant will not be required to pay the GSA prior to the Court's approval of the PAGA Settlement. Following the Court's approval, Defendant will make monthly payments towards the GSA until the GSA is fully funded. Defendant shall make monthly payments in equal amounts until the GSA has been fully funded, either by December 31, 2022 or until Defendant has made at least 3 monthly payments in equal amounts until the GSA is fully funded.

1.9 "Individual PAGA Payment" means the Aggrieved Employee's *pro rata* share of 25% of the Net PAGA Penalties allocated to Aggrieved Employees, calculated according to the number of pay periods worked during the PAGA Period.

1.10 "LWDA" means the California Labor and Workforce Development Agency.

1.11 "LWDA Payment" means the 75% of the Net PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.12 "Plaintiff's Counsel" means Joseph Lavi, Esq., Vincent C. Granberry, Esq., and Courtney M. Miller, Esq. of Lavi & Ebrahimian, LLP, 8889 W. Olympic Boulevard, Suite 200, Suite 200, Beverly Hills, California 90211.

1.13 "Net PAGA Penalties" is the total amount of PAGA civil penalties remaining from the Gross Settlement Amount to distribute by a 75/25 split to the LWDA and Aggrieved Employees, after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's Counsel Fees (not to exceed \$60,000.00, or one-third of the GSA); (b) Plaintiff's Counsel Expenses (not to exceed \$15,000.00); (c) Plaintiff's Service Payment (not to exceed \$1,000.00); and (d) and the Settlement Administrator's Fees (not to exceed \$7,000.00).

1.14 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.15 "Plaintiff" means Fernando Acero, the named plaintiff in the Action.

1.16 "PAGA Period" means the time period from October 5, 2019 through the date of the Court's approval of the PAGA settlement, or through August 31, 2022, whichever is sooner.

1.17 "PAGA Released Claims" means any and all claims for civil penalties under PAGA based on the factual allegations alleged in the LWDA letters Plaintiff sent to the LWDA dated October 5, 2020 and December 9, 2020, and the Complaint, including but not limited to failure to provide meal periods; failure to provide rest periods; failure to provide complete and accurate wage statements; failure to timely pay earned wages during employment; failure to timely pay all wages due at time of termination/resignation; and failure to maintain temperatures providing reasonable comfort; Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2698, *et seq.*, and 2699(a); and applicable IWC Wage Orders.

1.18 "Released Parties" means Defendant and its affiliated companies and its respective parent companies, subsidiaries, affiliates, shareholders, members, agents (including,

without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns.

1.19 “Settlement Administrator” means CPT Group, a third-party administrator who shall administer the settlement, subject to approval by the Court, in accordance with this Settlement Agreement.

1.20 “Settlement Administrator’s Fees” means, subject to approval by the Court, the Settlement Administrator’s costs and expenses to administer the settlement currently estimated not to exceed \$7,000.00. The Parties agree that the Settlement Administrator’s Fees shall be paid from the Gross Settlement Amount.

2. RECITALS

2.1 Plaintiff performed work for Defendant as a non-exempt employee in California during the PAGA Period and is therefore an Aggrieved Employee.

2.2 On October 5, 2020, Plaintiff provided written notice to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the Labor Code for failure to provide meal periods; failure to provide rest periods; failure to provide complete and accurate wage statements; failure to timely pay all wages due at time of termination/resignation; and failure to maintain temperatures providing reasonable comfort; Labor Code sections 201, 202, 203, 226, 226.7, 512, 1198, 2698, *et seq.*, and 2699(a); and applicable IWC Wage Orders.

2.3 On December 9, 2020, provided an amended written notice to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the Labor Code for failure to provide meal periods; failure to provide rest periods; failure to provide complete and accurate wage statements; failure to timely pay earned wages during employment; failure to timely pay all wages due at time of termination/resignation; and failure to maintain temperatures providing reasonable comfort; Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2698, *et seq.*, and 2699(a); and applicable IWC Wage Orders.

2.4 On December 10, 2020, Plaintiff commenced this Action by filing the Complaint alleging a single cause of action for civil penalties pursuant to PAGA stemming from alleged violations of the Labor Code for failure to provide meal periods; failure to provide rest periods; failure to provide complete and accurate wage statements; failure to timely pay earned wages during employment; failure to timely pay all wages due at time of termination/resignation; and failure to maintain temperatures providing reasonable comfort; Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2698, *et seq.*, and 2699(a); and applicable IWC Wage Orders.

2.5 On May 3, 2022 the Parties engaged in arm’s length negotiations presided over by neutral third-party mediator, Jeffrey A. Ross, Esq. With Mr. Ross’ assistance, the Parties agreed to fully and finally resolve the Action and the PAGA Released Claims as to Plaintiff, the Aggrieved Employees, and the State of California.

2.6 In preparation for the mediation, Plaintiff’s Counsel obtained through informal discovery, an approximate 25% sampling of time and payroll data for Aggrieved Employees, all

relevant policies and procedures, the number of Aggrieved Employees, and the estimated number of pay periods during the PAGA period between October 5, 2020 through May 3, 2022 (i.e., the date of mediation).

3. **OPERATIVE TERMS OF SETTLEMENT AGREEMENT**

The Parties agree as follows:

3.1 **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

3.2 **Gross Settlement Amount.** Defendant shall pay a total settlement amount not to exceed One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) as the non-reversionary Gross Settlement Amount ("GSA"). Defendant will not pay more than the GSA.

Defendant will not be required to make payments towards the GSA prior to the Court's approval of the Settlement.

Upon the Court's approval of the Settlement, Defendant will make monthly deposits into an account established by the Settlement Administrator and agrees to fully fund the GSA on or before December 31, 2022.

The GSA will be used to pay the Individual PAGA Payments payable to Aggrieved Employees, the LWDA Payment payable to the LWDA, Plaintiff's Counsel Fees (not to exceed one-third of the GSA), Plaintiff's Counsel Expenses (not to exceed \$15,000.00), Plaintiff's Service Payment (not to exceed \$1,000.00), and the Settlement Administrator's Fees (not to exceed \$7,000.00).

3.3 **Payments from the Gross Settlement Amount.** The Settlement Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in its approval:

3.3.1 **Plaintiff's Counsel Fees and Expenses.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$60,000.00) and costs up to \$15,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the Settlement Administrator will allocate the remainder to the Net PAGA Penalties. Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel. Except as set forth in this Paragraph, the Parties shall each bear their own attorneys' fees and costs.

- 3.3.2 **Plaintiff's Service Payment.** Defendant will not oppose Plaintiff's request for a service payment of up to \$1,000.00 as a general release fee in connection with the release and waivers provided by Plaintiff, in his individual capacity ("Service Payment") and for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the Settlement Administrator will allocate the remainder to the Net PAGA Penalties. The Service Payment will be reported on an IRS Form 1099 issued to Plaintiff.
- 3.3.3 **Settlement Administration Costs.** Defendant will not oppose the Settlement Administrator's costs in the amount up to \$7,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the Settlement Administrator will allocate the remainder to the Net PAGA Penalties. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.
- 3.4 **Allocation of Net PAGA Penalties.** The Parties agree that one hundred percent (100%) of the Net PAGA Penalties shall be designated as "civil penalties" and shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net PAGA Penalties shall be distributed to the Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked for Defendant during the PAGA Period. Payments to Aggrieved Employees of their share of the Net PAGA Penalties shall be referred to as "Individual PAGA Payment(s)." Each Aggrieved Employee will be paid a non-wage check for the Individual PAGA Payment, and will receive an IRS Form 1099 for said payment.
- 3.5 **PAGA Released Claims.** Upon the Effective Date and payment of all funds due under this Settlement, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Paragraph 1.17, *supra*. Upon entry of the Order approving the settlement and judgment entered thereon, Plaintiff, the State of California, and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees may have under the law against Released Parties for violations of the California Labor Code.
- 3.6 **Covenants and Representations by Plaintiff and Plaintiff's Counsel.** Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further

acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

- 3.7 **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Plaintiff nor Plaintiff's Counsel will publicize the terms of this Settlement Agreement or issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.
- 3.8 **Obligation of Plaintiff's Counsel to Submit Settlement Agreement to the LWDA.** To permit judicial review and approval of the Settlement, and as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).
- 3.9 **Filing of Motion for Approval of Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Joint Stipulation for Approval, and if required by the Court, a Motion for Approval of the Settlement ("Approval Motion") and providing Defendant's Counsel with sufficient opportunity to propose revision to the Approval Motion prior to filing. Plaintiff's Counsel will file the Approval Motion, which is mutually agreed to by the Parties, as soon as practicable. Plaintiff's Counsel will serve the Approval Motion on Defendant's Counsel. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the Court to obtain approval of the settlement.
- 3.10 **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, if the Court declines to approve the Settlement Agreement as drafted, the Parties agree to attempt in good faith to amend the Settlement Agreement to resolve the Court's concerns with the Settlement Agreement, before either Party terminates the Settlement Agreement.
- 3.11 **Judgment.** As part of the Approval Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action

in accordance with the terms of the Settlement, and retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement. The judgment will release and bar Plaintiff's Released Claims and the PAGA Released Claims as to Plaintiff, the State of California, and Aggrieved Employees.

4. ADMINISTRATION OF SETTLEMENT

4.1 **Settlement Administrator.** The Parties have mutually selected CPT Group to handle the administration of this settlement, subject to approval by the Court.

4.2 **Notice to Aggrieved Employees.**

4.2.1 Within thirty (30) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved Employees List"). Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, total pay periods worked for Defendant in California during the PAGA Period, and Social Security number, to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders. Within four (14) calendar days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

4.3 **Explanatory Letter and Individual PAGA Payments.**

4.3.1 Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.



4.3.2 The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Paragraph 3.4, *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4.4 **Undeliverable Notices.**

4.4.1 The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

4.4.2 Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a "skip trace" or other reputable search method using the name, address and/or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

4.4.3 Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

4.5 **Distribution of Other Payments.** The Settlement Administrator shall distribute payments to (1) the LWDA; (2) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved fees and expenses; (3) Plaintiff for the Court-approved service payment; and (4) the Settlement Administrator for Court-approved Settlement Administration Costs incurred in connection with the Settlement, at the same time it makes payments to Aggrieved Employees pursuant to Paragraphs 4.3 *et seq.*, *supra*.

4.6 **Accounting.** Within 45 calendar days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

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5. **MISCELLANEOUS PROVISIONS**

- 5.1 **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for

Tax Consequences

Entire Agreement

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- 5.5 **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.
- 5.6 **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, subject to approval by the Court.
- 5.7 **Authorization to Enter into Binding Settlement Agreement.** Defendant represents and warrants that the undersigned has the authority to act on behalf of Defendant and to bind Defendant to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.
- 5.8 **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.
- 5.9 **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.
- 5.10 **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive,

arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

- 5.11 **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.
- 5.12 **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Settlement Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Settlement Agreement will continue to be valid, and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.
- 5.13 **No Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.
- 5.14 **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: octubre 24, 2022

PLAINTIFF FERNANDO ACERO

DocuSigned by:

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Dated: _____, 2022

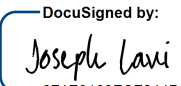
AAA FLAG & BANNER MFG. CO., INC.

By: _____
Its: _____

APPROVED AS TO FORM:

Dated: 10/24, 2022

LAVI & EBRAHIMIAN, LLP

By: 
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Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Courtney M. Miller, Esq.
Counsel for Plaintiff and Aggrieved Employees

Dated: _____, 2022

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____
Jeffrey S. Ranen, Esq.
Brendan T. Sapien, Esq.
Attorneys for Defendant AAA Flag & Banner Mfg.
Co., Inc.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____, 2022

PLAINTIFF FERNANDO ACERO

Dated: 10/22, 2022

AAA FLAG & BANNER MFG. CO., INC.

By: _____

Its: _____


CRAG FIRST
CEO

APPROVED AS TO FORM:

Dated: _____, 2022

LAVI & EBRAHIMIAN, LLP

By: _____

Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Courtney M. Miller, Esq.
Counsel for Plaintiff and Aggrieved Employees

Dated: _____, 2022

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____


Jeffrey S. Ranen, Esq.
Brendan T. Sapien, Esq.
Attorneys for Defendant AAA Flag & Banner Mfg.
Co., Inc.



EXHIBIT A

NOTICE OF PAGA RESOLUTION

Fernando Acero v. AAA Flag & Banner, Inc., et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 20STCV47301

<<Name>>
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<<City>>, <<State>> <<Zip Code>>
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I. NOTICE OF PAGA SETTLEMENT

The Los Angeles County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Fernando Acero (“Plaintiff”) on behalf of himself and all other allegedly aggrieved employees.

In this lawsuit, Plaintiff is seeking to recover civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the California Private Attorneys General Act (“PAGA”). These civil penalties are based on Plaintiff’s allegations that defendant AAA Flag & Banner, Inc. (“Defendant”) violated California state wage and hour laws governing: meal and rest breaks; meal and rest period premiums when meal and rest breaks were missed, short, late, or interrupted; failing to pay wages during employment; wage statement violations; and separation pay violations.

The Court has **not** made a determination about Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

Defendant denies Plaintiff’s allegations. Defendant maintains that the Company was in compliance with the California Labor Code at all times and enters into this settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees” for purposes of settlement only, which is defined as: (a) all current and former non-exempt employees of Defendant in the State of California who worked at Defendant’s facilities at any time during the PAGA Period. The “PAGA Period” is defined as the period from October 5, 2019 through **August 31, 2022**.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a proportional basis based on the number of pay periods worked by that individual during the PAGA Period. Your individual PAGA payment has been calculated at \$**AMOUNT PAID TO THIS EMPLOYEE**. Your payment is enclosed with this Notice. The amount paid to each Aggrieved Employee will be allocated as follows: one-hundred percent (100%) will be attributed to penalties and will be reported on an IRS Form 1099.

The Parties agree that all Aggrieved Employees who receive payment pursuant to this settlement will be responsible for any and all tax obligations associated with such receipt. **You will be responsible for correctly characterizing this compensation for tax purposes and paying any taxes that may be due on the payment you receive. Neither Counsel for Plaintiff, Counsel for Defendant, nor the Settlement Administrator may legally provide you with advice regarding the tax implications of the receipt of this settlement payment.**

III. RELEASE

The Court has approved the Parties' Settlement Agreement ("Settlement"). Upon the Effective Date and payment of all funds due under this Settlement, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all claims for civil penalties under PAGA based on the factual allegations alleged in the LWDA letters Plaintiff sent to the LWDA dated October 5, 2020 and December 9, 2020, and the Complaint, including but not limited to failure to provide meal periods; failure to provide rest periods; failure to provide complete and accurate wage statements; failure to timely pay earned wages during employment; failure to timely pay all wages due at time of termination/resignation; and failure to maintain temperatures providing reasonable comfort; Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2698, *et seq.*, and 2699(a); and applicable IWC Wage Orders ("PAGA Released Claims") that arose during the PAGA Period against Defendant and its affiliated companies and its respective parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns ("Released Parties").

IV. SETTLEMENT ADMINISTRATOR

**** PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE ****

You may call the Settlement Administrator at [ADMINISTRATOR INFO] with any questions.

Settlement checks will be void 180 days after issuance if not deposited or cashed. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement. If you do not cash or otherwise deposit your check, after 180 days, it will be transmitted to the California State Controller's Office in the Unclaimed Property Fund in your name.