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HILL BROTHERS CHEMICAL COMPANY,
a California corporation

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES- SPRING STREET COURTHOUSE

VINCENT T. PAZ, on behalf of himself and
all others similarly situated,

Plaintiffs,

v.

HILL BROTHERS CHEMICAL
COMPANY, a California Corporation; and
DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 20STCV48279

[Assigned to the Hon. Carolyn B. Kuhl, in
Dept. 12]

CLASS ACTION

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

Action Filed: December 18, 2020

Trial Date: None Set

This Joint Stipulation re: Class Action and Representative Action Settlement
("Settlement" or "Agreement" or "Settlement Agreement") is made by and between plaintiff
Vincent T. Paz ("Mr. Paz or Plaintiff") individually and on behalf of the Settlement Class, on the
one hand; and defendant HILL BROTHERS CHEMICAL COMPANY ("Hill" or "Defendant"),
on the other hand, in the lawsuit entitled *Paz v. Hill Brothers Chemical Company, a California*

1 Corporation, filed in Los Angeles County Superior Court, Case No. 20STCV48279 (the
2 “Action”). Plaintiff and Defendant shall be, at times, collectively referred to as the “Parties”.
3 This Agreement is intended by the Parties to fully, finally, and forever resolve the claims as set
4 forth herein, based upon and subject to the terms and conditions of this Agreement.

5 **1. DEFINITIONS**

6 **A. “Action”** means *Paz v. Hill Brothers Chemical Company, a California*
7 *Corporation* filed in Los Angeles County Superior Court, Case No. 20STCV48279.

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

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

13 **D. “Class Period”** means the period from December 18, 2016 through the date the
14 Court grants preliminary approval of this Settlement.

15 **E. “Court”** means the Superior Court of the State of California for the County of
16 Los Angeles.

17 **F. “Final Approval Date”** means the later of: (1) the date the Court signs an Order
18 granting final approval of this Settlement (“Final Approval”) and Judgment; (2) if there is an
19 objector, 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals
20 have been filed, the date on which they have been resolved or exhausted.

21 **G. “Defendant”** means Hill Brothers Chemical Company.

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

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

1 **J. “Gross Settlement Amount”** means a non-reversionary fund in the sum of Three
2 Hundred Ten Thousand Dollars and Zero Cents (\$310,000.00),¹ which shall be paid by
3 Defendant, from which all payments for the Individual Settlement Payments to Participating
4 Class Members, the Court-approved amounts for attorneys’ fees and reimbursement of litigation
5 costs and expenses to Class Counsel, Settlement Administration Costs, the Service Award, the
6 PAGA Payment, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes,
7 which shall be paid by Defendant separate, apart, and in addition to the Gross Settlement Amount.

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

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

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

17 **N. “LWDA Payment”** means the payment to the State of California Labor and
18 Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the total
19 amount allocated toward penalties under the PAGA all of which is to be paid from the Gross
20 Settlement Amount. The Parties have agreed that Ten Thousand Dollars and Zero Cents
21 (\$10,000.00) shall be allocated toward PAGA penalties, of which Seven Thousand Five Hundred
22 Dollars and Zero Cents (\$7,500.00) will be paid to the LWDA (*i.e.*, the LWDA Payment) and
23 Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) will be paid to Aggrieved
24 Employees on a *pro rata* basis based on the Workweeks worked in the PAGA Period.

25 **O. “Net Settlement Amount”** means the portion of the Gross Settlement Amount
26 that is available for distribution to the Participating Class Members after deductions for the Court-
27 approved allocations for Settlement Administration Costs, a Service Award to Plaintiff, an award

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¹ As the same may be increased in accordance with Paragraph 16, below.

of attorneys' fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA Payment, and the PAGA Payment.

P. "Operative Complaint" or "Complaint" means the First Amended Complaint that was filed with the Court on March 26, 2021.

Q. "PAGA Payment" is the 25% portion of the Ten Thousand Dollars and Zero Cents (\$10,000.00) that is allocated toward PAGA penalties (Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00)) that will be paid to Aggrieved Employees on a *pro rata* basis based on the Workweeks worked in the PAGA Period, which would be in addition to their Individual Settlement Share if they are Participating Class Members, as well.

R. "PAGA Period" means the period from November 6, 2019 through the end of the Class Period.

S. "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion.

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

U. "Plaintiff", "Named Plaintiff" or "Class Representative" shall refer to Plaintiff Vincent T. Paz.

V. "Preliminary Approval Date" means the date on which the Court enters an Order granting preliminary approval of the Settlement.

W. "Released Parties" shall mean Defendant and each of its past, present, and future respective subsidiaries, dba's, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees, and agents.

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

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

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

15 **AA. “Settlement Administration Costs”** means all costs incurred by the Settlement
16 Administrator in administration of the Settlement, including, but not limited to, translating the
17 Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English
18 and Spanish, calculating Individual Settlement Shares, Individual Settlement Payments,
19 Individual PAGA Payments, and Participating Individual Settlement Shares, as well as associated
20 taxes and withholdings, providing declarations, generating Individual Settlement Payment
21 checks and related tax reporting forms, doing administrative work related to unclaimed checks,
22 transmitting payment to Class Counsel for the Court-approved amounts for attorneys’ fees and
23 reimbursement of litigation costs and expenses, to Plaintiff for his Service Award, and to the
24 LWDA for the LWDA Payment, providing weekly reports of opt-outs, objections and related
25 information, and any other actions of the Settlement Administrator as set forth in this Agreement,
26 all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated
27 not to exceed \$6,000.00. If the actual amount of the Settlement Administration Costs is less than
28 \$6,000.00, the difference between \$6,000.00 and the actual Settlement Administration Costs

1 shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed
2 \$6,000.00 then such excess will be paid solely from the Gross Settlement Amount and Defendant
3 will not be responsible for paying any additional funds in order to pay these additional costs.

4 **BB. “Settlement Administrator”** means the Third-Party Administrator mutually
5 agreed upon by the Parties that will be responsible for the administration of the Settlement
6 including, without limitation, translating the Class Notice in Spanish, the distribution of the
7 Individual Settlement Payments to be made by Defendant from the Gross Settlement Amount
8 and related matters under this Agreement.

9 **CC. “Settlement Class” or “Settlement Class Members”** means all current and
10 former non-exempt, hourly-paid employees who worked in California for Defendant at any time
11 during the Class Period.

12 **DD. “Workweeks”** means the number of weeks that a Settlement Class Member was
13 employed by and worked for the Defendant in a non-exempt, hourly position during the Class
14 Period in California, based on hire dates, re-hire dates, and termination dates.

15 **2. BACKGROUND**

16 **A.** On November 6, 2020, Plaintiff filed with the LWDA and served on Defendant a
17 notice under Labor Code section 2699.3 stating he intended to serve as a proxy of the LWDA to
18 recover civil penalties for Aggrieved Employees for various Labor Code violations. (“PAGA
19 Notice”).

20 **B.** On December 18, 2020 Plaintiff filed a putative wage-and-hour class action
21 alleging that, during the Class Period, Defendant, as it pertains to Class Members: (1) failed to
22 pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods, or
23 premium compensation in lieu thereof; (4) failed to provide rest periods, or premium
24 compensation in lieu thereof; (5) failed to timely pay all wages due and owing at the time of
25 termination or resignation; (6) failed to provide accurate itemized wage statements; (7) failed to
26 reimburse work expenses; and (8) engaged in unfair competition.

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1 **C.** On March 26, 2021, after sixty-five (65) days had passed without any Action by
2 the LWDA and the Court lifting the stay on pleadings, Plaintiff filed a First Amended Complaint
3 adding causes of action seeking PAGA civil penalties under Labor Code sections 210, 226.3,
4 558, 1197.1 and 2699.

5 **D.** Shortly thereafter, the Parties agreed to exchange informal discovery and attend
6 an early mediation, in which Plaintiff was provided with, among other things: (1) time and payroll
7 records for approximately 33 of the 67 total Class Members; (2) a class list of non-exempt
8 employees which included hire and termination dates; (3) all employee handbooks and policy
9 documents pertaining to Class Members; and 4) the entirety of Plaintiff's personnel file,
10 including time and payroll records.

11 **E.** On October 6, 2021, the Parties participated in a full-day mediation before Gig
12 Kyriacou, Esquire, a well-regarded mediator experienced in mediating complex labor and
13 employment matters. With the aid of the mediator's evaluation, the Parties reached the
14 Settlement to resolve the Action.

15 **F.** Class Counsel has conducted significant investigation of the law and facts relating
16 to the claims asserted in the Action and the PAGA Notice, and have concluded that that the
17 Settlement set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement
18 Class, taking into account the sharply contested issues involved, the expense and time necessary
19 to litigate the Action through trial and any appeals, the risks and costs of further litigation of the
20 Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information
21 learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits
22 to be received by the Settlement Class Members.

23 **G.** Defendant has concluded that, because of the substantial expense of defending
24 against the Action, the length of time necessary to resolve the issues presented herein, the
25 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
26 interest to accept the terms of this Agreement. Defendant denies each of the allegations and
27 claims asserted against it in the Action and the PAGA Notice. However, Defendant nevertheless
28 desires to settle the Action for the purpose of avoiding the burden, expense and uncertainty of

1 continuing litigation and for the purpose of putting to rest the controversies engendered by the
2 Action.

3 **H.** This Agreement is intended to and does effectuate the full, final, and complete
4 resolution of all Class Released Claims of Plaintiff and Participating Class Members, and all
5 PAGA Released Claims of Plaintiff and, to the extent permitted by law, of the State of California
6 and Aggrieved Employees.

7 **3. JURISDICTION**

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

13 **4. STIPULATION OF CLASS CERTIFICATION**

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

16 **5. MOTIONS FOR APPROVAL OF SETTLEMENT**

17 After full execution of this Agreement, Plaintiff will move for an order granting
18 preliminary approval of the Settlement, approving and directing the mailing of the proposed
19 Notice of Class Action Settlement (“Class Notice”) attached hereto as **Exhibit “A”**, conditionally
20 certifying the Settlement Class for settlement purposes only, and approving the deadlines
21 proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes, and
22 Objections. If and when the Court preliminarily approves the Settlement, and after
23 administration of the Class Notice in a manner consistent with the Court’s Preliminary Approval
24 Order, Plaintiff will move for an order finally approving the Settlement and seek entry of a
25 Judgment in line with this Settlement. The Parties may both respond to any Objections lodged
26 to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

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1 **6. STATEMENT OF NO ADMISSION**

2 Defendant denies any wrongdoing of any sort and further deny any liability to Plaintiff
3 and the Settlement Class with respect to any claims or allegations asserted in the Action, the
4 PAGA Notice and the Amended PAGA Notice. This Agreement shall not be deemed an
5 admission by Defendant of any claims or allegations asserted in the Action or the PAGA Notice.
6 Except as set forth elsewhere herein, in the event that this Agreement is not approved by the
7 Court, or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not
8 be deemed to have waived, limited or affected in any way any claims, rights or remedies, or
9 defenses in the Action or the PAGA Notice, and Defendant will not be deemed to have waived,
10 limited, or affected in any way any of its objections or defenses in the Action, the PAGA Notice
11 and Amended PAGA Notice. The Parties shall be restored to their respective positions in the
12 Action prior to the entry of this Settlement.

13 **7. RELEASE OF CLAIMS**

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

15 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry
16 of Judgment, and payment by Defendant to the Settlement Administrator of the full Gross
17 Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiff and
18 all Participating Class Members release all claims against the Released Parties asserted in the
19 Operative Complaint filed in the Action, or any and all claims that may be asserted against the
20 Released Parties based on the factual allegations in the Operative Complaint, or any and all
21 claims that may be asserted against the Released Parties based on the factual allegations in the
22 Action, as follows: For the duration of the Class Period, the release includes, for Participating
23 Class Members, including Plaintiff: (a) all claims for failure to pay overtime wages; (b) all claims
24 for failure to pay minimum wages; (c) all claims for failure to provide compliant meal periods,
25 or premium compensation in lieu thereof; (d) all claims for failure to provide compliant rest
26 periods, or premium compensation in lieu thereof (e) all claims for the failure to timely pay
27 wages upon termination or resignation; (f) all claims for non-compliant wage statements; (g) all
28 claims for failure to indemnify work expenses; and (h) all claims asserted through California

1 Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations
2 referenced in the Complaint (the “Class Released Claims”). For Aggrieved Employees,
3 including Plaintiff, (and, to the extent permitted by law, the State of California), the release
4 includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice and alleged
5 in the Operative Complaint, for PAGA civil penalties pursuant to Labor Code sections 210,
6 226.3, 558, 1197.1, and 2699 in connection with alleged violations of Labor Code sections 96,
7 98.6, 200, 201, 202, 203, 204, 226, 226.7, 227.3, 232, 232.5, 246, 432, 510, 512, 1102.5, 1174,
8 1194, 1197, 1197.5, 1198.5, 2802, and 2810.5 (the “PAGA Released Claims”). The release
9 expressly excludes all other claims, including claims for vested benefits, wrongful termination,
10 unemployment insurance, disability, social security, workers’ compensation, and any other
11 claims outside of the Class Released Claims of Participating Class Members arising during the
12 Class Period and the PAGA Released Claims of Aggrieved Employees (and, to the extent
13 permitted by law, the State of California) arising outside of the PAGA Period. The Class
14 Released Claims and PAGA Released Claims shall be referred to herein as the “Released
15 Claims”.

16 **B. General Release.**

17 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry
18 of Judgment, and payment by Defendant to the Settlement Administrator selected of the full
19 Gross Settlement Amount and Employers’ Taxes necessary to effectuate the Settlement, in
20 addition to the Released Claims, Plaintiff makes the additional following General Release:
21 Plaintiff releases the Released Parties from of all claims, demands, rights, liabilities and causes
22 of action of every nature and description whatsoever, known or unknown, asserted or that might
23 have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule,
24 law or regulation arising out of, relating to, or in connection with any act or omission of the
25 Released Parties through the date of full execution of this Agreement in connection with
26 Plaintiff’s employment or the termination thereof, except for any and all other claims that may
27 not be released as a matter of law through this Agreement. To the extent of the General Release
28 provided herein, Plaintiff stipulates and agrees that, upon entry of an Order granting Final

1 Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement
2 Administrator selected of the full Gross Settlement Amount and Employers' Taxes necessary to
3 effectuate the Settlement, he shall have expressly waived and relinquished, to the fullest extent
4 permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code,
5 or any other similar provision under federal or state law, which provides:

6 A general release does not extend to claims which the creditor
7 does not know or suspect to exist in his or her favor at the time of
8 executing the release, which if known by him or her must have
9 materially affected his or her settlement with the debtor or
10 released party.

11 **8. SETTLEMENT ADMINISTRATOR**

12 A. Plaintiff and Defendant, through their respective counsel, have selected Phoenix
13 Settlement Administrators to administer the Settlement, which includes but is not limited to
14 translating the Class Notice to Spanish, distributing and responding to inquiries about the Class
15 Notice and calculating all amounts to be paid from the Gross Settlement Amount. Charges and
16 expenses of the Settlement Administrator, currently estimated to be \$6,000.00 will be paid from
17 the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is
18 less than \$6,000.00, the difference between \$6,000.00 and the actual Settlement Administration
19 Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed
20 \$6,000.00, then such excess will be paid solely from the Gross Settlement Amount and Defendant
21 will not be responsible for paying any additional funds in order to pay these additional costs.

22 **9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION** 23 **PROCESS**

24 A. Notice to the Settlement Class Members

25 (1) Within seven (7) calendar days after the Preliminary Approval Date,
26 Defendant's Counsel shall provide the Settlement Administrator with information with respect
27 to each Settlement Class Member, including his or her: (1) name; (2) last known address(es)
28 currently in Defendant's possession, custody, or control; (3) last known telephone number(s)
currently in Defendant's possession, custody, or control; (4) last known Social Security
Number(s) in Defendant's possession, custody, or control; and (5) the dates of employment (*i.e.*,

1 hire dates, and, if applicable, re-hire date(s) and/or separation date(s)) for each Settlement Class
2 Member (“Class List”), which shall be made available to Class Counsel upon request. The
3 Settlement Administrator shall perform an address search using the United States Postal Service
4 National Change of Address (“NCOA”) database and update the addresses contained on the Class
5 List with the newly-found addresses, if any. Within seven (7) calendar days of receiving the
6 Class List from Defendant, the Settlement Administrator shall mail the Class Notice in English
7 and Spanish to the Settlement Class Members via first-class regular U.S. Mail using the most
8 current mailing address information available. The Settlement Administrator shall maintain the
9 Class List and digital copies of all the Settlement Administrator’s records evidencing the giving
10 of notice to any Settlement Class Member, for at least four (4) years from the Final Approval
11 Date.

12 (2) The Class Notice will set forth:

- 13 (a) the Settlement Class Member’s estimated Individual
14 Settlement Payment and Individual PAGA Payment,
15 and the basis for each;
- 16 (b) the information required by California Rule of Court,
17 rule 3.766, subdivision (d);
- 18 (c) the material terms of the Settlement;
- 19 (d) the proposed Settlement Administration Costs;
- 20 (e) the definition of the Settlement Class;
- 21 (f) a statement that the Court has preliminarily approved
22 the Settlement;
- 23 (g) how the Settlement Class Member can obtain
24 additional information, including contact information
25 for Class Counsel;
- 26 (h) information regarding opt-out and objection
27 procedures;

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- 1 (i) the date and location of the Final Approval Hearing;
2 and
3 (j) that the Settlement Class Member must notify the
4 Settlement Administrator no later than the Response
5 Deadline if the Settlement Class Member disputes the
6 accuracy of the number of Workweeks as set forth on
7 his or her Class Notice (“Workweek Dispute”). If a
8 Settlement Class Member fails to timely dispute the
9 number of Workweeks attributed to him or her in
10 conformity with the instructions in the Class Notice,
11 then he or she shall be deemed to have waived any
12 objection to its accuracy and any claim to any
13 additional settlement payment based on different data.

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

23 (4) No later than seven (7) calendar days from the Response Deadline, the
24 Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the
25 completion of the notice process, including the number of attempts to obtain valid mailing
26 addresses for and re-sending of any returned Class Notices, as well as the identities, number of,
27 and copies of all Requests for Exclusion and Objections received by the Settlement
28 Administrator.

1 **B. Objections.**

2 Only Participating Class Members may object to the Settlement. In order for any
3 Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must
4 do so by mailing a written objection to the Settlement Administrator at the address or phone
5 number provided on the Class Notice no later than the Response Deadline. The Settlement
6 Administrator shall email a copy of the Objection forthwith to Class Counsel and Defendant's
7 counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which
8 Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection
9 should set forth in writing: (1) the objector's name; (2) the Objector's address; (3) the last four
10 digits of the Objector's Social Security Number; (4) the Objector's signature; (5) a statement of
11 whether the Objector plans to appear at the Final Approval Hearing; and (6) the reason(s) for the
12 Objection, along with whatever legal authority, if any, the Objector asserts in support of the
13 Objection. If a Settlement Class Member objects to the Settlement, the Settlement Class Member
14 will remain a member of the Settlement Class and if the Court approves this Agreement, the
15 Settlement Class Member will be bound by the terms of the Settlement in the same way and to
16 the same extent as a Settlement Class Member who does not object. The date of mailing of the
17 Class Notice to the objecting Settlement Class Member shall be conclusively determined
18 according to the records of the Settlement Administrator. Settlement Class Members need not
19 object in writing to be heard at the Final Approval Hearing; they may object or comment in
20 person at the hearing at their own expense. Class Counsel and Defendant's Counsel may respond
21 to any objection lodged with the Court up to five (5) court days before the Final Approval
22 Hearing.

23 **C. Requesting Exclusion.**

24 Any Settlement Class Member may request exclusion from (*i.e.*, "opt out" of) the
25 Settlement by mailing a written request to be excluded from the Settlement ("Request for
26 Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline.
27 To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class
28 Member's Social Security Number; (3) the Class Member's signature; and (4) the following

1 statement: “Please exclude me from the Settlement Class in the *Paz v. Hill Brothers Chemical*
2 *Company, a California Corporation* matter” or a statement of similar meaning. The Settlement
3 Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel
4 and Defendant’s Counsel and shall report the Requests for Exclusions that it receives, to the
5 Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement
6 Class Member who requests exclusion using this procedure will not be entitled to receive any
7 payment from the Settlement and will not be bound by the Settlement Agreement or have any
8 right to object to, appeal, or comment on the Settlement. Any Settlement Class Member who
9 does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will
10 be bound by all terms of the Settlement, including those pertaining to the Released Claims, as
11 well as any Judgment that may be entered by the Court if Final Approval of the Settlement is
12 granted. A Settlement Class Member cannot submit both a Request for Exclusion and an
13 objection. If a Settlement Class Member submits an Objection and a Request for Exclusion, the
14 Request for Exclusion will control and the Objection will be overruled. Settlement Class
15 Members who worked during the PAGA Period as Aggrieved Employees that submit a valid
16 Request for Exclusion will still be deemed Aggrieved Employees, will still receive their
17 Individual PAGA Payments, and will be bound by the release of the PAGA Released Claims.

18 **D. Disputes Regarding Settlement Class Members’ Workweek Data.**

19 Each Settlement Class Member may dispute the number of Workweeks attributed to him
20 or her on his or her Class Notice (“Workweek Dispute”). Any such disputes must be mailed to
21 the Settlement Administrator by the Settlement Class Member, postmarked on or before the
22 Response Deadline. The Settlement Administrator shall immediately provide copies of all
23 disputes to Class Counsel and counsel for Defendant and shall immediately attempt to resolve all
24 such disputes directly with relevant Settlement Class Member(s) with the assistance of Defendant
25 and Class Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the
26 dispute.

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1 **10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA**
2 **PAYMENTS**

3 Individual Settlement Payments will be calculated and distributed to Participating Class
4 Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class
5 Members' respective number of Workweeks during the Class Period. Individual PAGA
6 Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees
7 from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective
8 number of Workweeks during the PAGA Period. Specific calculations of the Individual
9 Settlement Shares and Individual PAGA Payments to Aggrieved Employees will be made as
10 follows:

11 **A.** The Settlement Administrator will determine the total number of Workweeks
12 worked by each Settlement Class Member during the Class Period ("Class Member's
13 Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class
14 Members during the Class Period ("Class Workweeks"). Additionally, the Settlement
15 Administrator will determine the total number of Workweeks worked by each Aggrieved
16 Employee during the PAGA Period ("Aggrieved Employee's Workweeks"), as well as the
17 aggregate number of Workweeks worked by all Aggrieved Employees during the PAGA Period
18 ("PAGA Workweeks").

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

22 **C.** To determine each Participating Class Member's Participating Individual
23 Settlement Share, the Settlement Administrator will determine the aggregate number of
24 Workweeks worked by all Participating Class Members during the Class Period ("Participating
25 Class Workweeks") and use the following formula: Individual Settlement Share =
26 (Participating Class Member's Workweeks ÷ Participating Class Workweeks) × Net Settlement
27 Amount.

28 ///

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

4 **E.** To determine each Aggrieved Employee’s Individual PAGA Payment, the
5 Settlement Administrator will use the following formula: Aggrieved Employee’s Individual
6 PAGA Payment = (Aggrieved Employee’s Workweeks ÷ PAGA Workweeks) x \$2,500.00 (the
7 PAGA Payment).

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

12 **11. DISTRIBUTION OF PAYMENTS**

13 **A. Distribution of Individual Settlement Payments.**

14 Participating Class Members will receive an Individual Settlement Payment and
15 Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement
16 Payment and Individual PAGA Payment checks shall remain valid and negotiable for one
17 hundred and eighty (180) calendar days after the date of their issuance. Within seven (7)
18 calendar days after expiration of the 180-day period, checks for such payments shall be
19 canceled and funds associated with such checks shall be considered unpaid, unclaimed or
20 abandoned cash residue pursuant to Code of Civil Procedure section 384 (“Unpaid
21 Residue”). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil
22 Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street,
23 Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Los Angeles. The
24 Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code
25 of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel
26 along with a proposed amended judgment that is consistent with the provisions of Code of Civil
27 Procedure section 384.

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1 **B. Funding of Settlement.**

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

8 **C. Time for Distribution.**

9 Within seven (7) calendar days after payment of the full Gross Settlement Amount and
10 Employer Taxes by Defendant, or as soon thereafter as practicable, the Settlement Administrator
11 shall distribute P\payments from the QSA for: (1) the Service Award to Plaintiff as specified in
12 this Agreement and approved by the Court; (2) the Attorneys’ Fees and Cost Award to be paid
13 to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement
14 Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA
15 Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA
16 Payments as specified in this Agreement and approved by the Court. The balance remaining shall
17 constitute the Net Settlement Amount from which Individual Settlement Payments shall be made
18 to Participating Class Members, less applicable taxes and withholdings. All interest accrued shall
19 be for the benefit of the Class Members and distributed on a *pro rata* basis to Participating Class
20 Members based on the number of Workweeks worked by them in the Class Period.

21 **11. ATTORNEYS’ FEES AND LITIGATION COSTS**

22 Class Counsel shall apply for, and Defendant shall not oppose, an award of attorneys’
23 fees of up to 35% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph
24 16 of this Agreement, amounts to One Hundred Eight Thousand and Five Hundred Dollars and
25 Zero Cents (\$108,500.00). Class Counsel shall further apply for, and Defendant shall not oppose,
26 an application or motion by Class Counsel for reimbursement of actual costs associated with
27 Class Counsel’s prosecution of this matter as set forth by declaration testimony in an amount up
28 to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). Awards of attorneys’ fees and

costs shall be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendant for such work unless, Defendant materially breach this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

12. SERVICE AWARD TO PLAINTIFF

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

13. TAXATION AND ALLOCATION

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

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

7 c. All Employer Taxes shall be paid by Defendant separate, apart, and in addition to
8 the Gross Settlement Amount. Defendant shall remain liable to pay the employer’s share of
9 payroll taxes as described above.

10 d. Neither Counsel for Plaintiff nor Defendant intend anything contained in this
11 Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement
12 be relied upon as such within the meaning of United States Treasury Department Circular 230
13 (31 C.F.R. Part 10, as amended) or otherwise.

14 **14. PRIVATE ATTORNEYS’ GENERAL ACT ALLOCATION**

15 The Parties agree to allocate Ten Thousand Dollars and Zero Cents (\$10,000.00) of the
16 Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent
17 (75%) of the amount allocated toward PAGA (\$7,500.00) will be paid to the LWDA and twenty-
18 five percent (25%) (\$2,500.00) will be distributed to Aggrieved Employees on a *pro rata* basis
19 based upon their respective Workweeks worked as Aggrieved Employees during the PAGA
20 Period.

21 **15. COURT APPROVAL**

22 This Agreement is contingent upon an order by the Court granting Final Approval of the
23 Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it
24 becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties
25 shall be restored to their respective positions in the Action prior to entry of this Settlement. If
26 this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal,
27 it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a)
28 the Court reserves any authority to issue any appropriate orders when denying approval; and/or

(b) there are any terms and conditions in this Settlement Agreement specifically stated to survive the Settlement Agreement being voided or not approved, and which control in such an event.

16. INCREASE IN WORKWEEKS

Defendant represents that there are no more than 12,400 Workweeks worked as of the Mediation date on October 6, 2021. In the event the number of Workweeks worked by Class Members during the Class Period increases by more than 10%, or 1,240 Workweeks, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 13,640 Workweeks (12,400 Workweeks + 1,240 Workweeks) multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$310,000.00) by 12,400, which amounts to a Workweek Value of \$25.00. Thus, for example, should there be 14,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$9,000.00. ((14,000 Workweeks – 13,640 Workweeks) x \$25.00 per Workweek.)

17. NOTICE OF JUDGMENT

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

18. WITHDRAWAL FROM SETTLEMENT BASED ON REQUESTS FOR EXCLUSION

Defendant shall retain the right to nullify the Agreement in the event that more than 7.5% of Class Members submit timely and valid Requests for Exclusion. Defendant must provide written notice to Class Counsel of their withdrawal within ten (10) calendar days of receiving sufficient information to determine that the opt out rate exceeds 7.5%. If Defendant exercises this right, it shall be solely responsible for the costs incurred for settlement administration up to the date of nullification.

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1 **19. MISCELLANEOUS PROVISIONS**

2 **A. Interpretation of the Agreement.**

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

20 **B. Further Cooperation.**

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

24 **C. Counterparts.**

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

28 ///

1 **D. Authority.**

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

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

5 Plaintiff, Participating Class Members, Aggrieved Employees, the State of California,
6 Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there are no third-
7 party beneficiaries.

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

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

11 **G. Severability.**

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

17

18 **IT IS SO AGREED:**

19 Dated: Mar 23, 2022, 2022

20

21

22 Dated: _____, 2022

23

24

25

26 [Additional Signatures on Following Page]

27

28



Vincent Paz (Mar 23, 2022 17:26 PDT)

VINCENT T. PAZ
Plaintiff and Class Representative

HILL BROTHERS CHEMICAL COMPANY
Defendant, a California corporation
By:
Its:

1 **D. Authority.**

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

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

5 Plaintiff, Participating Class Members, Aggrieved Employees, the State of California,
6 Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there are no third-
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15 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed
16 as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

17
18 **IT IS SO AGREED:**

19 Dated: _____, 2022

VINCENT T. PAZ
Plaintiff and Class Representative

21
22 Dated: 25 March, 2022

HILL BROTHERS CHEMICAL COMPANY
Defendant, a California corporation
By: Andrew Hill
Its: Director of Human Resources

23
24
25
26 [Additional Signatures on Following Page]
27
28

AGREED AS TO FORM:

Dated: May 2, 2022

Vedang J. Patel

DAVID D. BIBIYAN ; Vedang J. Patel
Counsel for Plaintiff VINCENT T. PAZ,

Dated: April 27, 2022

Roxana E. Verano

Alfred J. Landegger
Roxana E. Verano
**Counsel for Defendants HILL BROTHERS
CHEMICAL COMPANY, a California
corporation**