

RUTAN & TUCKER, LLP
Edson K. McClellan (State Bar No. 199541)
emcclellan@rutan.com
Kimberly A. Nayagam (State Bar No. 301058)
knayagam@rutan.com
18575 Jamboree Road, 9th Floor
Irvine, CA 92612
Telephone: 714-641-5100
Facsimile: 714-546-9035

Attorneys for Defendants
J.L. RAY COMPANY, INC., JEFFREY L. RAY
and JENNA R. RAY

SROURIAN LAW FIRM, P.C
Daniel Srourian (State Bar No. 285678)
daniel@slfla.com
3435 Wilshire Blvd., Suite 1710
Los Angeles, CA 90010
Telephone: 213-474-3800
Facsimile: 213-471-4160

Attorneys for Plaintiff
JOHNNY GALAN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER

JOHNNY GALAN, individually, and on behalf
of all others similarly situated,

Plaintiff,

v.

J.L. RAY COMPANY, INC., a California
Corporation; JEFFREY L. RAY, an individual;
JENNA R. RAY, an individual; and DOES 1
through 100, inclusive,

Defendants.

Case No. 30-2021-01197517-CU-OE-CXC

ASSIGNED FOR ALL PURPOSES TO:
HON. WILLIAM CLASTER, DEPT CX104

**AMENDMENT TO CLASS ACTION
SETTLEMENT AGREEMENT AND
STIPULATION**

Date Action Filed: April 27, 2021
Trial Date: Not Scheduled

RECITALS

A. Plaintiff Johnny Galan (“Plaintiff”) and J.L. Ray Company, Inc., Jeffrey L. Ray, and Jenna R. Ray (“Defendants”) entered into a Settlement Agreement and Stipulation to Resolve Class Action and PAGA Claims, which was filed with the Court on or about May 19, 2022 (the “**Settlement Agreement**”) and is attached hereto as Exhibit 1.

B. This Amendment to the Settlement Agreement (the “**Amendment**”) is made for the

1 sole purpose of attempting to consummate settlement in this case and is made in compromise of
2 disputed claims.

3 C. This Amendment modifies the Settlement Agreement in accordance with the Court's
4 instructions in the June 10, 2022 Minute Order regarding Plaintiff's Motion for Preliminary
5 Approval of Class Settlement.

6 **AMENDMENT TO AGREEMENT AND STIPULATION**

7 **I. Scope of Amendment.**

8 This Amendment modifies the Settlement Agreement as set forth below. The Settlement
9 Agreement and the Amendment together constitute a binding agreement among the Parties. The
10 Settlement Agreement shall control except to the extent it is modified by the terms of this
11 Amendment. In the event of a conflict or inconsistency between the terms of the Settlement
12 Agreement, on the one hand, and the terms of this Amendment, on the other hand, the terms of this
13 Amendment shall control and the Settlement Agreement shall be interpreted in a way to ensure
14 consistency between the Settlement Agreement and the Amendment. The Settlement Agreement
15 and Amendment constitute the entire integrated agreement between the parties regarding the
16 settlement of this matter.

17 **II. Amended Provisions.**

18 A. Notice Period. The Parties agree that Paragraph 19 on Page 4, the term "Notice
19 Period," is amended to mean: "the time period commencing on the date the Class Notice is mailed
20 to Class Members and ending 60 days thereafter unless a notice is remailed to a Class Member, in
21 which case, the Notice Period shall end either 60 days after mailing or 15 days after remailing,
22 whichever is later."

23 B. Unclaimed Funds. The Parties agree that Paragraph 51(e) on Page 22, the final
24 sentence of the Paragraph shall be amended to state: "The funds from uncashed and voided checks
25 will be disbursed to the California State Controller's Unclaimed Property Fund in the name of the
26 employee."

27 C. Released Claims. The Parties agree that Paragraph 28, on Page 5, the class release,
28 shall be amended to omit reference only to: "California's sick leave laws;" and Labor Code sections

1 246 and 246.5. The class release and this paragraph shall otherwise remain the same.

2 D. Class Counsel. The Parties agree that Paragraph 5, on Page 2, shall be amended to
3 omit reference to Patrick E. White III.

4 **IT IS SO AGREED:**

6 PLAINTIFF JOHNNY GALAN

8 Dated: _____

7 By: _____
Johnny Galan
Named Plaintiff

10
11 Dated: July 18, 2022

DEFENDANT J.L. RAY COMPANY, INC.

12 By: _____
13 Title: _____

14
15 Dated: July 18, 2022

DEFENDANT JEFFREY L. RAY

16 By: _____
17 Title: _____

18
19 Dated: July 19, 2022

DEFENDANT JENNA R. RAY

20 By: _____
21 Title: _____

1 APPROVED AS TO FORM ONLY AND AGREE TO
2 BE BOUND BY PARAGRAPH 59

3
4 Dated: _____

SROURIAN LAW FIRM, P.C

5
6 By: _____
Daniel Srourian, Esq.
Attorney for Plaintiff

7 APPROVED AS TO FORM ONLY:

8
9 Dated: July 20, 2022

RUTAN & TUCKER, LLP

10
11 By:  _____
Edson K. McClellan, Esq.
12 Attorney for Defendants J.L. Ray
Company, Inc., Jeffrey L.
13 Ray, and Jenna R. Ray

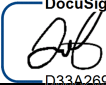
246 and 246.5. The class release and this paragraph shall otherwise remain the same.

D. Class Counsel. The Parties agree that Paragraph 5, on Page 2, shall be amended to omit reference to Patrick E. White III.

IT IS SO AGREED:

7/18/2022
Dated: _____

PLAINTIFF JOHNNY GALAN

DocuSigned by:

By: _____
Johnny Galan
Named Plaintiff

Dated: _____

DEFENDANT J.L. RAY COMPANY, INC.

By: _____

Title: _____

Dated: _____

DEFENDANT JEFFREY L. RAY

By: _____

Title: _____

Dated: _____

DEFENDANT JENNA R. RAY

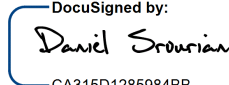
By: _____

Title: _____

1 APPROVED AS TO FORM ONLY AND AGREE TO
2 BE BOUND BY PARAGRAPH 59

3 Dated: 7/18/2022
4 _____

SROURIAN LAW FIRM, P.C

5 By:  CA315D1285984BB...
6 Daniel Srourian, Esq.
7 Attorney for Plaintiff

8 APPROVED AS TO FORM ONLY:

9 Dated: _____

RUTAN & TUCKER, LLP

10 By: _____
11 Edson K. McClellan, Esq.
12 Attorney for Defendants J.L. Ray
13 Company, Inc., Jeffrey L.
14 Ray, and Jenna R. Ray

EXHIBIT 1

1 RUTAN & TUCKER, LLP
 Edson K. McClellan (State Bar No. 199541)
 2 emcclellan@rutan.com
 Kimberly A. Nayagam (State Bar No. 301058)
 3 knayagam@rutan.com
 18575 Jamboree Road, 9th Floor
 4 Irvine, CA 92612
 Telephone: 714-641-5100
 5 Facsimile: 714-546-9035

6 Attorneys for Defendants
 J.L. RAY COMPANY, INC., JEFFREY L. RAY
 7 and JENNA R. RAY

8 SROURIAN LAW FIRM, P.C
 Daniel Srourian (State Bar No. 285678)
 9 daniel@slfla.com
 Patrick E. White III (State Bar No. 276895)
 10 3435 Wilshire Blvd., Suite 1710
 Los Angeles, CA 90010
 11 Telephone: 213-474-3800
 Facsimile: 213-471-4160

12 Attorneys for Plaintiff
 13 JOHNNY GALAN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER
 15

16 JOHNNY GALAN, individually, and on behalf
 17 of all others similarly situated,

18 Plaintiff,

19 v.

20 J.L. RAY COMPANY, INC., a California
 Corporation; JEFFREY L. RAY, an individual;
 21 JENNA R. RAY, an individual; and DOES 1
 through 100, inclusive,

22 Defendants.
 23

Case No. 30-2021-01197517-CU-OE-CXC

ASSIGNED FOR ALL PURPOSES TO:
 HON. WILLIAM CLASTER, DEPT CX104

**SETTLEMENT AGREEMENT AND
 STIPULATION TO RESOLVE CLASS
 ACTION AND PAGA CLAIMS**

Date Action Filed: April 27, 2021
 Trial Date: Not Scheduled

This Settlement Agreement and Stipulation To Resolve Class Action and PAGA Claims (the “Settlement Agreement,” “Agreement,” or “Settlement”) is entered into to resolve the action entitled *Johnny Galan v. J.L. Ray Company, Inc., et al.*, Orange County Superior Court Case No. 30-2021-01197517-CU-OE-CXC.

DEFINITIONS

1. **Action.** “**Action**” means *Johnny Galan v. J.L. Ray Company, Inc., et al.*, Orange County Superior Court Case No. 30-2021-01197517-CU-OE-CXC.

2. **Agreement or Settlement or Settlement Agreement.** “**Agreement**” or “**Settlement**” or “**Settlement Agreement**” means this Settlement Agreement and Stipulation To Resolve Class Action and PAGA Claims, entered into by the Parties to resolve the Action.

3. **Aggrieved Employees.** “**Aggrieved Employees**” means all non-exempt, hourly-paid employees of J.L. Ray Company, Inc. (“**J.L. Ray**”) employed in California at any time during the PAGA Period.

4. **Attorneys’ Fees and Costs.** “**Attorneys’ Fees and Costs**” means the amount authorized by the Court for: (i) an award of attorneys’ fees to Class Counsel for litigation and resolution of the matter, in the amount that does not exceed one-third (approximately 33.33%) of the Gross Settlement Amount, or \$75,000; and (ii) reimbursement of actual costs incurred by Class Counsel in connection with this Action, in an amount to not to exceed fifteen thousand dollars (\$15,000).

5. **Class Counsel.** “**Class Counsel**” means Daniel Srourian and Patrick E. White III of Srourian Law Firm, P.C.

6. **Class or Class Members.** “**Class**” or “**Class Members**” means all non-exempt, hourly-paid employees of J.L. Ray employed in California at any time during the Class Period.

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

8. **Class Period.** “**Class Period**” means the period between April 27, 2017, and the date the Court preliminarily approves the Settlement or March 26, 2022, whichever occurs first.

9. **Court.** “**Court**” means the Orange County Superior Court, where the Action is

1 currently pending.

2 10. Defendants. “**Defendants**” mean J.L. Ray Company, Inc., Jeffrey L. Ray, and
3 Jenna R. Ray.

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

11 12. Enhancement Award. “**Enhancement Award**” means the amount the Court
12 authorizes to be paid to the Named Plaintiff in addition to his Individual Settlement Payment, in
13 recognition of his efforts and work in prosecution of the Action, up to \$5,000.00.

14 13. Final Hearing Date. “**Final Hearing Date**” means the date set by the Court for the
15 hearing on final approval of the Settlement.

16 14. Final Order and Judgment. “**Final Order and Judgment**” means the proposed
17 order and judgment granting final approval of the Settlement, in a form substantially similar to the
18 form attached as **Exhibit B** to this Agreement, which Plaintiff will submit to the Court with the
19 motion for final approval of the Settlement.

20 15. Gross Settlement Amount. “**Gross Settlement Amount**” means the total
21 settlement payment that Defendant J.L. Ray has agreed to make on behalf of Defendants under
22 this Agreement. The Gross Settlement Amount is \$225,000.00. The Gross Settlement Amount is
23 not inclusive of any employer-side payroll taxes, which shall be paid separately by Defendants.

24 16. Individual PAGA Payment. “**Individual PAGA Payment**” means a payment to
25 an Aggrieved Employee of that employee’s share of the PAGA Payment as set forth in this
26 Agreement.

27 17. Individual Settlement Payment. “**Individual Settlement Payment**” means the
28 Individual Settlement Payment allocated to each Participating Class Member and/or Aggrieved

Employee as set forth in this Agreement, and consists of the Participating Class Member Payment and the Individual PAGA Payment to the extent an employee is eligible.

18. Named Plaintiff. “**Named Plaintiff**” means Johnny Galan.

19. Notice Period. “**Notice Period**” means the time period commencing on the date the Class Notice is mailed to Class Members and ending 45 days thereafter unless a notice is remailed to a Class Member, in which case, the Notice Period shall end either 45 days after mailing or 15 days after remailing, whichever is later.

20. Net Class Settlement Amount. “**Net Class Settlement Amount**” means the settlement amount to be distributed to Participating Class Members, which is the Gross Settlement Amount less Attorneys’ Fees and Costs, the Enhancement Award, the PAGA Amount, and Settlement Administration Costs.

21. PAGA Amount. “**PAGA Amount**” means the amount of \$22,500.00, which represents the portion of the Gross Settlement Amount allocated to the settlement of the PAGA Claims. The PAGA Amount is paid from the Gross Settlement Amount, and will be allocated as set forth in this Agreement. The Parties agree that 75% of the PAGA Amount (\$16,875.00) will be paid to the LWDA as the “**LWDA Payment**,” and the remaining 25% (\$5,625.00) will be allocated to the Aggrieved Employees as the “**PAGA Payment**.”

22. PAGA Claims. “**PAGA Claims**” means, for the duration of the PAGA Period, claims for penalties under the California Private Attorneys’ General Act (California Labor Code § 2698, *et seq.*) that: (a) arise from the facts, matters, transactions, or occurrences alleged in the Action or that could have been alleged in the Action based on such facts; or (b) arise from the facts, matters, transactions, or occurrences alleged, or that could have been alleged, in Plaintiff’s PAGA letter to the Labor and Workforce Development Agency (“LWDA”). Without limiting the foregoing, and in addition to the foregoing, the PAGA Claims include claims premised on failure to pay overtime wages; failure to pay regular wages; failure to pay minimum wages; off-the-clock work; failure to provide meal periods and rest breaks or additional pay in lieu thereof; failure to provide and maintain complete and accurate itemized wage statements that included all information required by the California Labor Code; failure to keep accurate time records; failure

1 to provide employees with rates of pay and overtime rates applicable to their employment,
 2 including failure to properly calculate the overtime rate (regular rate of pay); failure to reimburse
 3 employees for costs incurred in furtherance of work duties; untimely payment of wages; violations
 4 of California's sick leave laws; failure to provide adequate seating; failure to accurately keep
 5 record of and pay/provide vacation time; violations of California Labor Code §§ 201-204, 206,
 6 210, 216, 218.5, 218.6, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 246.5, 248.5, 256, 432.5, 450,
 7 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2698, *et seq.*;
 8 and related violations of the applicable California Wage Orders.

9 23. PAGA Period. “**PAGA Period**” means the period between April 27, 2020 and the
 10 date the Court preliminarily approves the Settlement or March 26, 2022, whichever occurs first.

11 24. Parties. “**Parties**” means the Defendants and the Named Plaintiff, individually and
 12 on behalf of all Class Members and Aggrieved Employees. Each of the Parties may be referred to
 13 in the singular as a “Party.”

14 25. Participating Class Member. “**Participating Class Member**” means each Class
 15 Member who has not timely opted out of the Settlement pursuant to this Agreement; “**Settlement**
 16 **Class**” means a class of all Participating Class Members.

17 26. Preliminary Approval Order. “**Preliminary Approval Order**” means an order
 18 from the Court preliminarily approving this Settlement, in a form substantially similar to the form
 19 attached as **Exhibit C** to this Agreement, which Plaintiff will submit to the Court with the motion
 20 for preliminary approval of the Settlement.

21 27. Released Parties. “**Released Parties**” means and includes J.L. Ray, Jeffrey L. Ray,
 22 and Jenna R. Ray, and their respective past, present, and future predecessors, successors, assigns,
 23 affiliates, shareholders, members, owners, officers, directors, investors, employees, managers,
 24 managing agents, partners, affiliated companies or entities, parents, subsidiaries, holding
 25 companies, agents, attorneys, insurers, and representatives.

26 28. Released Claims. “**Released Claims**” means, for the duration of the Class Period,
 27 any and all claims against Defendants and the other Released Parties that: (a) arise from the facts,
 28 matters, transactions, or occurrences alleged in the Action or that could have been alleged in the

Action based on such facts; or (b) arise from the facts, matters, transactions, or occurrences alleged, or that could have been alleged, in Plaintiff's PAGA letter to the LWDA. Without limiting the foregoing, and in addition to the foregoing, the Released Claims include claims premised on failure to pay overtime wages; failure to pay regular wages; failure to pay minimum wages; off-the-clock work; failure to provide meal periods and rest breaks or additional pay in lieu thereof; failure to provide and maintain complete and accurate itemized wage statements that included all information required by the California Labor Code; failure to keep accurate time records; failure to provide employees with rates of pay and overtime rates applicable to their employment, including failure to properly calculate the overtime rate (regular rate of pay); failure to reimburse employees for costs incurred in furtherance of work duties; untimely payment of wages; violations of California's sick leave laws; failure to provide adequate seating; failure to accurately keep record of and pay/provide vacation time; violations of California Labor Code §§ 201-204, 206, 210, 216, 218.5, 218.6, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 246.5, 248.5, 256, 432.5, 450, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2698, *et seq.*; related violations of the applicable California Wage Orders; violations of all related or corresponding federal laws; and violation of California Business and Professions Code section 17200, *et seq.*

29. Settlement Administration Costs. "**Settlement Administration Costs**" means the costs of settlement administration, including costs of notice to Class Members, distributing settlement payments, and any other fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Settlement, not to exceed \$10,000.00.

30. Settlement Administrator. "**Settlement Administrator**" means Phoenix Settlement Administrators or such other third-party administrator chosen by the Parties and approved by the Court.

31. Settlement Hearing. "**Settlement Hearing**" means the hearing on the Final Hearing Date at which the Court will determine whether to fully and finally approve the fairness and reasonableness of this Agreement.

RECITALS

32. On April 27, 2021, Johnny Galan filed a putative class action against Defendants J.L. Ray Company, Inc., Jeffrey L. Ray, and Jenna R. Ray, in a case styled *Johnny Galan v. J.L. Ray Company, Inc., et al.*, Orange County Superior Court Case No. 30-2021-01197517-CU-OE-CXC. The Complaint alleges that Defendants violated various wage-and-hour laws, including: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish accurate wage statements; (6) failure to pay all wages upon termination; (7) failure to indemnify business expenses; (8) unfair competition; and (9) violation of the Private Attorney General Act (“PAGA”).

33. Defendants deny that they engaged in any misconduct in connection with the wage-and-hour practices associated with the Class Members (inclusive of the Aggrieved Employees). Defendants further deny that they have any liability of any kind associated with the claims alleged in the Action. Defendants contend that they have complied with both federal and state wage-and-hour laws, and all other laws regulating their relationship with the Class Members, including the Named Plaintiff.

34. On January 18, 2022, the Parties participated in mediation with Hon. Carl J. West (Ret.) of JAMS (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized in this Agreement.

35. Class Counsel has investigated the facts relating to the Action. Settlement discussions were conducted at arm’s-length, a full-day mediation with a neutral third-party took place, and the Settlement is the result of an informed and detailed analysis of Defendants’ potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel’s own independent investigation and evaluation, Class Counsel believes that the Settlement documented by this Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay and defenses asserted to the merits of the

1 Action. While Defendants specifically deny any liability in the Action, Defendants have agreed
2 to enter into this Settlement to avoid the costs associated with defending the Action.

3 **TERMS AND CONDITIONS**

4 NOW, THEREFORE, in consideration of the recitals listed above and the promises and
5 warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of
6 the consideration and undertakings set forth below, Named Plaintiff, individually and on behalf of
7 the Class Members, Aggrieved Employees, and the State of California, and Defendants agree that
8 the Action shall be and is finally and fully compromised and settled on the following terms and
9 conditions:

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

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

28 a. The Parties intend their settlement to be contingent upon the preliminary

1 and final approval of each and every term of this Agreement, without material modification. The
2 Parties and their respective counsel shall use their respective best efforts to obtain Court approval
3 and implement this Agreement in accordance with its terms. If the Court does not so approve this
4 Agreement, the Parties agree to meet and confer to address the Court's concerns. If the Parties are
5 unable to agree upon a resolution, the Parties intend this Agreement to become null and void, and
6 unenforceable, in which event the settlement terms set forth in this Agreement, including any
7 modifications made with the consent of the Parties, and any action taken or to be taken in
8 connection with this Agreement shall be terminated and shall become null and void and have no
9 further force or effect, and the class certified for settlement purposes pursuant to this Agreement
10 will be decertified for all purposes. In such an event, the Parties shall be jointly responsible for
11 payment of the Settlement Administrator's fees, if any, in an equal amount.

12 b. In the event the Court does not grant preliminary or final approval of the
13 Parties' settlement, or in the event that this Agreement shall terminate or the settlement embodied
14 in this Agreement does not become effective for any reason, the Agreement and all negotiations,
15 court orders and proceedings relating to the Agreement shall be without prejudice to the rights of
16 the Named Plaintiff, Class Members and Defendants, each of whom shall be restored to their
17 respective positions existing prior to the execution of this Agreement, and evidence relating to the
18 Agreement and all negotiations shall not be discoverable or admissible in the Action or any other
19 litigation. Defendants do not waive, and instead expressly reserve, their right to challenge the
20 propriety of class certification and/or the Action proceeding on a representative basis for any
21 purpose should the Court not grant preliminary or final approval of the Parties' settlement.

22 38. Participating Class Member Release Of Claims. Upon the funding of the Gross
23 Settlement Amount and the Employer's Taxes necessary to effectuate the Settlement to the
24 Settlement Administrator, the Named Plaintiff and all Participating Class Members hereby shall
25 be deemed to have fully, finally, and forever released, settled, compromised, relinquished and
26 discharged any and all of the Released Parties from the Released Claims that arose during the Class
27 Period.

28 a. This release by the Named Plaintiff and each Participating Class Member is

1 intended to settle any and all of the Released Claims that any of them may have against Defendants
2 or any of the Released Parties during the Class Period. Thus, even if the Named Plaintiffs or any
3 Participating Class Member may subsequently discover facts in addition to or different from those
4 they now know or believe to be true with respect to the subject matter of the Released Claims, they
5 shall be deemed to have, and by operation of the Final Order and Judgment shall have fully, finally,
6 and forever settled and released any and all Released Claims, whether known or unknown,
7 suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden,
8 which now exist, or have existed upon any theory of law or equity now existing or coming into
9 existence in the future.

10 b. Because it is impossible or impracticable to have each Class Member
11 execute this Agreement, the Class Notice will advise all Class Members of the binding nature of
12 the release and such notice will have the same force and effect as if the Agreement were executed
13 by each Class Member.

14 39. Aggrieved Employees Release of PAGA Claim: In exchange for the PAGA
15 Amount recited in this Agreement, the Named Plaintiff, as the representative for the State of
16 California and all Aggrieved Employees, and on behalf of his current, former, and future heirs,
17 executors, administrators, attorneys, agents, and assigns will, upon payment of the Gross
18 Settlement Amount and the Employer's Taxes necessary to effectuate the Settlement to the
19 Settlement Administrator, forever completely release and discharge Defendants and each of the
20 Released Parties from the PAGA Claims that arose during the PAGA Period. The Aggrieved
21 Employees and the State of California will be deemed by operation of the Final Order and
22 Judgment to have agreed not to sue or otherwise make a claim against Defendants and any of the
23 Released Parties for the PAGA Claims that arose during the PAGA Period.

24 40. Full Release By The Named Plaintiff. Upon payment of the Gross Settlement
25 Amount and the Employer's Taxes necessary to effectuate the Settlement to the Settlement
26 Administrator, the Named Plaintiff fully releases and discharges Defendants and the other
27 Released Parties from the Released Claims and any other claims that the Named Plaintiff now has
28 or claims to have, or has ever had or claimed to have, against the Released Parties. Without

1 limiting the generality of the foregoing, the Named Plaintiff specifically and expressly releases to
2 the maximum extent permitted by law any claims against Defendants and the Released Parties,
3 arising out of or relating to the Named Plaintiff's employment or the termination of his
4 employment with Defendants and any other Released Party. This general release by the Named
5 Plaintiff includes a waiver of Named Plaintiff's rights under Civil Code Section 1542, which
6 provides: "A general release does not extend to claims that the creditor or releasing party does not
7 know or suspect to exist in his or her favor at the time of executing the release and that, if known
8 by him or her, would have materially affected his or her settlement with the debtor or released
9 party."

10 41. No Prior Assignments. The Named Plaintiff represents and warrants that he has
11 not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or
12 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action, or rights released and discharged by this Agreement.

14 42. Settlement Payments And Calculation Of Claims. Subject to final Court approval
15 and the conditions specified in this Agreement, and in consideration of the mutual covenants and
16 promises set forth in this Agreement, Defendants agree to pay the Gross Settlement Amount of
17 \$225,000.00. The Gross Settlement Amount includes, but is not limited to, payments to be made to
18 Participating Class Members, Class Counsel's Attorneys' Fees and Costs, an Enhancement Award
19 to the Named Plaintiff, the PAGA Amount, and Settlement Administration Fees and Costs. For the
20 avoidance of doubt, subject to the conditions set forth in this Agreement, Defendants shall not be
21 required to pay any amount over \$225,000.00 for this Settlement, apart from the employer's share
22 of applicable taxes which will be paid in addition to the Gross Settlement Amount.

23 43. Settlement Escalator. Prior to mediation Defendants represented there were
24 approximately 8,016 workweeks worked by the Class Members through December 17, 2021. If the
25 actual number of workweeks during the Class Period is more than Ten Percent (10%) greater than
26 8,016 workweeks (i.e. 8,818 workweeks), the Net Class Settlement Amount shall be increased on a
27 proportional percentage basis equal to the percentage increase in the number of workweeks worked
28 by the Class Members above 10%. For example, if the number of workweeks increases by 11%

1 through the end of the Class Period to 8,898 workweeks, the Net Class Settlement Amount will
2 increase by 1%.

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

6 a. Class Counsel Attorneys' Fees and Costs: At the final approval hearing,
7 Class Counsel will apply to the Court for an award of Attorneys' Fees of no more than one-third
8 (approximately 33.33%) of the Gross Settlement Amount, which equals \$75,000.00. Class
9 Counsel will also apply to the Court for an award of actual costs incurred by Class Counsel not to
10 exceed the amount of \$15,000.00. These fees and costs are included in, and shall come from, the
11 Gross Settlement Amount. Class Counsel will be issued an IRS Form 1099 for any fees and costs
12 awarded by the Court pursuant to this Paragraph 44.a. Except as provided in this Paragraph 44.a,
13 each party will bear its own attorneys' fees, costs, and expenses incurred in the prosecution,
14 defense, or settlement of the Action. If the Court awards a lower amount of Attorneys' Fees and
15 Costs than the amount requested, any amount not awarded will be part of the distribution to the
16 Participating Class Members as set forth in this Agreement and shall not be a reason to
17 invalidate/terminate this Agreement.

18 b. Settlement Administrator Costs: At the final approval hearing, Class
19 Counsel will apply to the Court for approval of Settlement Administration costs not to exceed the
20 amount of \$10,000.00. These costs are included in, and shall come from, the Gross Settlement
21 Amount.

22 c. Named Plaintiff Enhancement Award: At the final approval hearing, Class
23 Counsel will apply to the Court for an award of up to \$5,000.00 to be paid to the Named Plaintiff
24 as an Enhancement Award for his services and for assuming the risks associated with this litigation,
25 for the time spent in assisting Class Counsel to litigate this Action, and as consideration for
26 providing a general release. Defendants will not oppose such application. The Enhancement
27 Award is included in, and shall come from, the Gross Settlement Amount. The Named Plaintiff
28 will be issued an IRS Form 1099 for the Enhancement Award approved by the Court pursuant to

1 this Paragraph. The Enhancement Award payable to the Named Plaintiff shall be in addition to
2 any payment he may receive pursuant to Paragraph 44.e, below. If the Court awards less than the
3 amount requested, any amount not awarded will be part of the distribution to the Participating
4 Class Members as set forth in this Agreement and shall not be a reason to invalidate/terminate this
5 Agreement.

6 d. PAGA Amount: At the final approval hearing, Class Counsel will apply to
7 the Court for approval of the PAGA Amount of \$22,500.00 for claims for civil penalties asserted
8 under PAGA. Class Counsel will submit notice of this Settlement to the LWDA, as required by
9 Labor Code § 2699(l)(2). The Parties agree that 75% of the PAGA Amount (\$16,875.00) will be
10 paid to the LWDA as the “LWDA Payment,” and the remaining 25% (\$5,625.00) will be allocated
11 to the Aggrieved Employees as the “PAGA Payment.” The portion of the PAGA Payment
12 allocated to each of the Aggrieved Employees will be calculated using the same formula as set
13 forth in Paragraph 44.e, but will be limited to weeks worked during the PAGA Period. Any Class
14 Members who worked during the PAGA Period and who opt out of the Settlement will still be
15 considered Aggrieved Employees for purposes of this Paragraph 44.d and, therefore, will
16 (i) receive their portion of the PAGA Payment (the Individual PAGA Payment); and (ii) release
17 all PAGA Claims against the Released Parties.

18 e. Individual Settlement Payments. The Individual Settlement Payments shall
19 consist of: (i) each Participating Class Member’s *pro rata* portion of the Net Class Settlement
20 Amount (the “Participating Class Member Payment”); and (ii) if applicable, each Aggrieved
21 Employee’s *pro rata* portion of the PAGA Payment (the Individual PAGA Payment).

22 i) Participating Class Member Payment: After deducting the approved
23 amounts specified in Paragraphs 44.a-44.d above, each Participating Class Member will be entitled
24 to a *pro rata* portion of the remaining amount. Participating Class Member Payments will be
25 calculated from the Net Class Settlement Amount based on the respective number of weeks worked
26 by each Participating Class Member in a non-exempt position during the Class Period, rounded up.
27 Each Participating Class Member’s share of the Net Class Settlement Amount will be calculated by
28 dividing the Participating Class Member’s weeks worked in a non-exempt position by the total

1 number of weeks worked by all Class Members in a non-exempt position during the Class Period
2 and multiplying this figure by the Net Class Settlement Amount. The Class Notice will include the
3 number of weeks that the Class Member worked during the Class Period and the amount the Class
4 Member is estimated to receive under the terms of the Settlement.

5 ii) Individual PAGA Payment: For each Aggrieved Employee, the
6 Individual Settlement Payment will also include the Aggrieved Employees's *pro rata* share of the
7 PAGA Payment, as set forth in Paragraph 44.d (the Individual PAGA Payment), to the extent
8 applicable.

9 f. The Parties acknowledge and agree that the formula used to calculate the
10 Individual Settlement Payments (including the Participating Class Member Payments and
11 Individual PAGA Payments) does not mean that all of the elements of damages, restitutionary
12 relief, and penalties alleged in the Action are not being taken into account. The above formula
13 was devised as a practical and logistical method to simplify the participation process.

14 g. Participating Class Member Payments shall be distributed only to
15 Participating Class Members. The portion of the Net Class Settlement Amount allocated to Class
16 Members who opt out of the Settlement will be distributed to Participating Class Members on a
17 *pro rata* basis based on the formula set forth in Paragraph 44.e. Individual PAGA Payments will
18 be distributed to all Aggrieved Employees regardless of whether or not they opt out of the
19 Settlement.

20 h. The Parties agree that, under no circumstances shall Defendants be
21 obligated to pay any amount under this Agreement to any Class Member other than Participating
22 Class Members, with the exception of the Individual PAGA Payments which are not affected by a
23 Class Member opting-out of the Settlement. In addition, the Parties agree that, except as provided
24 in Paragraph 43, under no circumstances shall Defendants be obligated to pay more than the Gross
25 Settlement Amount in full settlement of the Action, except for the employer-side payroll taxes.

26 45. No Credit Toward Benefit Plans. The Individual Settlement Payments made under
27 this Agreement will not be utilized to calculate any additional benefits under any benefit plans to
28 which any Participating Class Member or Aggrieved Employees may be eligible including, but

not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Participating Class Member or Aggrieved Employee may be entitled under any benefit plans.

46. Taxation Of Settlement Proceeds. All settlement payments paid to Participating Class Members, Aggrieved Employees, and the Named Plaintiff, will be paid in a net amount after applicable state and federal tax withholdings, including payroll taxes, have been deducted.

a. The Participating Class Member Payments shall be reported as follows:
(i) 10% of the amount distributed to each Participating Class Member will be considered wages, and will be reported as such to each Participating Class Member on a W-2 Form; (ii) 45% of the amount distributed to each Participating Class Member will be considered interest on the unpaid wages, and will be reported as such to each Participating Class Member on an IRS Form 1099; and (iii) 45% of the amount distributed to each Participating Class Member will be considered statutory penalties, and will be reported as such to each Participating Class Member on an IRS Form 1099. The PAGA Payments distributed to each Aggrieved Employee will be considered penalties and will be reported on an IRS Form 1099.

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

c. The Parties stipulate that the Settlement Fund (as defined at Paragraph 51) will qualify as a settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal

1 Revenue Code of 1986, as amended, and Section 1.468B-1 *et seq.* of the federal income tax
2 regulations. Furthermore, the Settlement Administrator is designated as the “Administrator” of
3 the qualified settlement funds for purposes of Section 1.468B-2(k) of the income tax regulations.
4 Accordingly, all taxes imposed on the gross income of the Settlement Fund and any tax-related
5 expenses arising from any income tax return or other reporting document that may be required by
6 the Internal Revenue Service or any state or local taxing body will be paid from the Settlement
7 Fund.

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

16 47. Notice Procedure. Within 7 calendar days after entry of the Preliminary Approval
17 Order, and service of notice of the same upon Defendants, Defendants will provide to the
18 Settlement Administrator a list of Class Members that identifies each Class Member by name,
19 Social Security Number, and last-known address; and specifies the number of weeks worked by
20 each Class Member in a non-exempt position during the Class Period and the PAGA Period (the
21 “Class List”). Defendants will provide the Class List in an Excel file or other format reasonably
22 acceptable to the Settlement Administrator. The Settlement Administrator will keep the list
23 confidential, except it shall be provided to Class Counsel upon request with Social Security
24 Numbers and address information redacted, and Class Counsel agrees to use such information only
25 for the purposes described in this Agreement.

26 a. Upon receipt of the Class List, the Settlement Administrator shall perform
27 a search based upon the National Change of Address Database to update and correct any known
28 or identifiable address changes. The Settlement Administrator shall exercise its best judgment to

1 determine the current mailing address for each Class Member. Within 14 calendar days after
2 receipt of the Class List from Defendants, the Settlement Administrator will send the Class Notice,
3 in English and Spanish, to each Class Member via First Class U.S. Mail. Receipt of the Class
4 Notice shall be presumed as to each and every Class Member whose Class Notice is not returned
5 to the Settlement Administrator as undeliverable within 14 calendar days after mailing.

6 b. The Settlement Administrator will re-mail any notice packet returned by the
7 United States Postal Service with a forwarding address on or before the expiration of the Notice
8 Period. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice
9 is not returned to the Settlement Administrator as undeliverable within 14 calendar days after re-
10 mailing, received the Class Notice. Class Members who receive a re-mailed Class Notice shall
11 have either 45 days from the original mailing or 15 days from the re-mailing, whichever is later,
12 to object, opt out, or dispute the workweeks attributed to him or her.

13 c. The Settlement Administrator will use the appropriate skip tracing and
14 National Change of Address searches to increase the likelihood of delivery of the Class Notice to
15 Class Members, and to re-mail the notice packets returned by the Postal Service without a
16 forwarding address upon locating new or alternate addresses after a reasonable search.

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

21 48. Dispute Procedure. The Class Notice will include a procedure by which a Class
22 Member may dispute the number of workweeks allocated to the Class Member by submitting a
23 written dispute sent via U.S. Mail to the Settlement Administrator postmarked no later than the
24 expiration of the Notice Period (“Workweek Dispute”). To be valid, a Workweek Dispute should
25 contain the following: (i) the Class Member’s full name, current address, and signature; (ii) the
26 Action name and case number; (iii) the number of workweeks the Class Member maintains is
27 correct; and (iv) documentary evidence sufficient to support that Defendants’ calculation of the
28 workweeks for the Class Member is incorrect, if any. Upon receipt of notice of a Workweek

1 Dispute, the Settlement Administrator shall promptly serve Class Counsel and Defendants'
2 counsel with a copy of the Workweek Dispute and any accompanying papers. No Workweek
3 Dispute shall be effective or considered for any purpose unless it is timely mailed by U.S. mail to
4 and received by the Settlement Administrator as provided above. Defendants shall have the right
5 to respond to the Workweek Dispute by any Class Member. All information and documents
6 relating to any such disputes will be provided to Class Counsel. The Settlement Administrator
7 will resolve the Workweek Dispute and make a final and binding determination without hearing
8 or right of appeal. The Settlement Administrator's determination will be subject to review by the
9 Court at the time of the Final Approval Hearing so long as the Participating Class Member submits
10 an objection to the Settlement Administrator's determination at or before the Final Approval
11 Hearing.

12 a. Within 14 calendar days after the close of the Notice Period, the Settlement
13 Administrator will provide Class Counsel and Defendants' counsel with a report listing the amount
14 of all Individual Settlement Payments, including Individual PAGA Payments, to be made to
15 Participating Class Members and Aggrieved Employees. The report to Class Counsel will not
16 include the names or contact information of Participating Class Members and Aggrieved
17 Employees.

18 49. Opt-Out Procedure. Unless a Class Member opts out of the settlement described in
19 this Agreement, the Class Member will be bound by the terms and conditions of this Agreement,
20 including the release of the Released Claims that arose during the Class Period. A Class Member
21 will not be entitled to opt out of the settlement established by this Agreement unless the Class
22 Member submits a valid opt-out request ("Opt-Out Request"). A valid Opt-Out Request must:
23 (i) contain the Class Member's full name, current address, and signature; (ii) contain the Action
24 name and case number; (iii) contain a written request clearly expressing the Class Member's desire
25 to be excluded from (or opt out of) the Settlement; and (iv) be returned so that it is postmarked on
26 or before the expiration of the Notice Period. Any Class Members who worked during the PAGA
27 Period and who opts out of the Settlement will still be considered Aggrieved Employees for
28 purposes of this Agreement and will still receive their respective portion of the PAGA funds.

1 a. Upon receipt of any Opt-Out Request within the Notice Period, the
2 Settlement Administrator shall review the Opt-Out Request to confirm that it complies with the
3 opt-out requirements of this Agreement.

4 b. Any Class Member who fails to submit a timely, complete, and valid Opt-
5 Out Request will be barred from opting out of this Agreement or the settlement, unless otherwise
6 ordered by the Court. If the Settlement Administrator receives a timely Opt-Out Request that is
7 incomplete, it will make reasonable attempts to contact the class member to cure the defect. The
8 Settlement Administrator will not consider any Opt-Out Request postmarked after the end of the
9 Notice Period, but will report its receipt of any such requests to Class Counsel and counsel for
10 Defendants. It shall be presumed that, if an Opt-Out Request is not postmarked on or before the
11 end of the Notice Period, the Class Member did not make the request in a timely manner. A
12 declaration submitted by any Class Member attesting to the mailing of an Opt-Out Request on or
13 before the expiration of the Notice Period shall be insufficient to overcome the conclusive
14 presumption that the Opt-Out Request was untimely. Under no circumstances shall the Settlement
15 Administrator have the authority to extend the deadline for Class Members to submit a request to
16 opt out of the settlement without the Parties' joint written consent.

17 c. At the close of the Notice Period, the Settlement Administrator shall report
18 the names of all individuals who opted out of the Agreement to the parties and include this
19 information in a Declaration regarding the distribution of the notice that will be provided in support
20 of Plaintiff's Motion for Final Approval.

21 d. If 10% or more Class Members timely opt out of the settlement, Defendants
22 will have the sole and absolute discretion to withdraw from this Agreement within ten (10)
23 calendar days after Defendants receive notice of the number of opt outs. Defendants will provide
24 written notice to Class Counsel if they intend to withdraw from this Agreement. In the event that
25 Defendants elect to so withdraw, the withdrawal shall have the same effect as a termination of this
26 Agreement for failure to satisfy a condition of settlement, and the Agreement shall become null
27 and void and have no further force or effect, and the class certified pursuant to this Agreement will
28 be decertified for all purposes. If Defendants choose to terminate this Settlement Agreement under

1 this provision, they shall be responsible to pay the Settlement Administrator's fees and costs. If
2 the Settlement Agreement is terminated for any other reason, including the Court's failure to grant
3 final approval of the Parties' settlement, then Class Counsel and Defendants will be jointly
4 responsible for the Settlement Administrator's fees and costs.

5 50. Objections To Settlement. Any Class Member may object to the Settlement. Any
6 written objection must be mailed to the Settlement Administrator (who shall promptly provide a
7 copy to Class Counsel and counsel for Defendants) by the close of the Notice Period. Class
8 Counsel will ensure that any written objections get filed with the Court concurrently with the final
9 approval documents by having it attached to the Settlement Administrator's Declaration. Class
10 Members who have not objected in writing may still appear and be heard at the Settlement Hearing.

11 a. Written objections to the Settlement must contain at least the following:
12 (i) the objecting Class Member's full name, current address, and signature; (ii) a clear reference to
13 the Action; (iii) a statement of the specific reasons why the objector believes the Settlement is
14 unfair or objects to the Settlement; and (iv) a statement whether the objector intends to appear at
15 the final approval hearing, either in person or through counsel and, if through counsel, a statement
16 identifying that counsel by name, bar number, address and telephone number. All objections shall
17 be signed by the objecting Class Member or the Class Member's legally authorized representative.

18 b. Class Counsel or Defendants' counsel may, up to five (5) court days before
19 the Final Hearing Date, file responses to any written objections submitted to the Court.

20 c. Unless they opt out of the Settlement as specified in Paragraph 49, Class
21 Members who object to the proposed settlement or the Agreement will become Participating Class
22 Members, and shall be deemed to have voluntarily waived their right to pursue an independent
23 remedy against Defendants and the other Released Parties. To the extent any Participating Class
24 Member objects to the proposed settlement or Agreement and such objection is overruled in whole
25 or in part, such individuals will be bound by the Court's Final Approval Order and Judgment.

26 d. In the event that any person objects to or opposes this proposed settlement
27 or the Agreement, or attempts to intervene in or otherwise enter the Action, the Parties and Class
28 Counsel will use their best efforts to defend the Settlement.

e. A Class Member cannot both opt out and object to the Settlement. If a Class Member both objects and opts out of the Settlement, the opt-out will control and the objection will be deemed invalid.

51. Funding And Distribution Of Settlement.

a. Within ten (10) calendar days of the close of the Notice Period, the Settlement Administrator will provide a draft declaration to Class Counsel and Defendants' counsel setting forth: the number of Participating Class Members and Aggrieved Employees; the identity of those individuals who opted out of the Settlement; the total amount payable to all Participating Class Members and Aggrieved Employees; and the total PAGA Amount, Attorneys' Fees and Costs, Enhancement Award, Settlement Administration Costs, Net Class Settlement Amount, and the appropriate applicable employer's taxes for any portion of the Individual Settlement Payments designated as wages.

b. Within ten (10) calendar days after the Effective Date, Defendants shall remit to the Settlement Administrator: (i) the Gross Settlement Amount of \$225,000.00 and (ii) the employer's taxes for any portion of the Individual Settlement Payments designated as wages (the collectively, "Settlement Fund"). The delivery by Defendants of the Settlement Fund to the Settlement Administrator will constitute the full and complete discharge of the entire obligations of Defendants under this Agreement, unless anything further is requested by the Settlement Administrator to ensure timely and proper disbursement. No Released Party will have any further obligation or liability to the Named Plaintiff, Participating Class Members, Aggrieved Employees, or Class Counsel under this Agreement, regardless of whether the Named Plaintiff, Participating Class Members, Aggrieved Employees, or Class Counsel receive the payments from the Settlement Administrator set forth in this Agreement.

c. The distribution of Individual Settlement Payments to Participating Class Members and Aggrieved Employees will occur no later than ten (10) calendar days after receipt of the Settlement Fund from Defendants ("Settlement Proceeds Distribution Deadline"). The Settlement Administrator shall be deemed to have timely distributed Individual Settlement Payments, including Individual PAGA Payments, if it places in the mail Individual Settlement

1 Payments for all Participating Class Members and Individual PAGA Payments for all Aggrieved
2 Employees by the Settlement Proceeds Distribution Deadline. No person will have any claim
3 against the Settlement Administrator, Defendants, Class Counsel, Defendants' counsel, or any
4 other agent designated by the Named Plaintiff or Class Counsel based upon the distribution of
5 Individual Settlement Payments made substantially in accordance with this Agreement or further
6 orders of the Court.

7 d. The distribution of the LWDA Payment, Attorneys' Fees and Costs, and the
8 Enhancement Award shall occur no later than ten (10) calendar days after the Settlement
9 Administrator receives the Settlement Fund from Defendants.

10 e. If a Participating Class Member's or Aggrieved Employee's check is
11 returned to the Settlement Administrator, the Settlement Administrator will make reasonable
12 efforts to re-mail it to the Participating Class Member or Aggrieved Employee at the correct
13 address. It is expressly understood and agreed that the checks for the Individual Settlement
14 Payments, including the Individual PAGA Payments, will become void and no longer available if
15 not cashed within 180 days after mailing. The funds from uncashed and voided checks will be
16 disbursed, pursuant to California Code of Civil Procedure § 384, to the Legal Aid Foundation of
17 Los Angeles, a 501(c)(3) nonprofit recognized by the IRS.

18 f. Defendants will not be obligated to make any payments contemplated by
19 this Agreement unless and until the Court enters the Final Order and Judgment, and after the
20 Effective Date of the Agreement.

21 g. Within sixty (60) calendar days of the Settlement Proceeds Distribution
22 Deadline, the Settlement Administrator will provide written certification of completion of
23 settlement administration to Class Counsel and to Defendants' Counsel.

24 52. Binding Effect Of Agreement On Class Members. Subject to final Court approval
25 and the occurrence of the Effective Date, and unless otherwise provided in this Agreement, all
26 Participating Class Members will be bound by this Agreement.

27 53. Binding Effect Of Agreement On Aggrieved Employees and State of California.
28 The Aggrieved Employees and the State of California shall be deemed by operation of the Final

1 Order and Judgment to have agreed not to sue or otherwise make a claim against Defendants or
2 any of the Released Parties for any of the PAGA Claims and to be bound by the release of the
3 PAGA Released Claims as set forth in this Agreement.

4 54. Provisional Approval Of Settlement. The Named Plaintiff will file a motion in the
5 Action requesting that the Court enter the Preliminary Approval Order within a reasonable time
6 after complete execution of this Agreement. Defendants will not oppose Class Counsel's motion
7 for preliminary approval of the settlement so long as the motion and supporting papers are
8 consistent with the terms of this Agreement. Class Counsel will provide Defendants' counsel with
9 a reasonable opportunity to review, and provide comments to, the motion for preliminary approval
10 of the settlement before the motion and supporting papers are filed with the Court.
11 Notwithstanding the foregoing, Defendants may, without opposing the preliminary approval
12 motion, advise the Court if Defendants disagree with any of the factual statements included by the
13 Named Plaintiff in the motion and supporting papers. Defendants' counsel will meet and confer
14 with Class Counsel regarding any disputed factual statements before notifying the Court of any
15 disputes.

16 55. Non-Interference With Claims Procedure. The Parties and their counsel agree that
17 they will not advise, solicit, or otherwise encourage any Class Members to submit requests for
18 exclusion or objections to the settlement or to appeal from the Final Order or Final Judgment.

19 56. Final Order and Judgment. The Named Plaintiff will request that the Court enter,
20 after the Settlement Hearing finally approving this Agreement, a Final Order and Judgment. The
21 Named Plaintiff will request that the Final Order and Judgment certify the Participating Class; find
22 that this Agreement is fair, just, equitable, reasonable, adequate and in the best interests of the
23 Class and the Aggrieved Employees; list the employees (if any) who opted-out of the settlement;
24 order that the Participating Class Members release the Released Parties from the Released Claims;
25 order that the Aggrieved Employees and the State of California release the Released Parties from
26 the PAGA Claims as set forth in this Agreement; and require the Parties to carry out the provisions
27 of this Agreement.

28 57. Automatic Voiding Of Agreement If Settlement Not Finalized. If for any reason

1 the settlement set forth in this Agreement does not become final, the settlement will be null and
2 void and the orders, judgment, and dismissal to be entered pursuant to this Agreement shall be
3 vacated, and the Parties will be returned to the status quo prior to entering this Agreement with
4 respect to the Action, as if the Parties had never entered into this Agreement, and the class certified
5 pursuant to this Agreement will be decertified for all purposes. In addition, in such event, the
6 Agreement and all negotiations, court orders, and proceedings relating to this Agreement shall be
7 without prejudice to the rights of any and all parties to this Agreement, and evidence relating to
8 the Agreement and all negotiations shall not be admissible or discoverable in the Action or
9 otherwise.

10 58. No Double Recovery. No person who has already released, assigned, or otherwise
11 forfeited the claims asserted in the Action will be considered a Class Member or be entitled to
12 recover under this Agreement.

13 59. No Publicity. The Named Plaintiff and Class Counsel agree that they shall not
14 discuss, answer questions about, promote, or publicize the filing of the Action, the Parties'
15 settlement, this Agreement and its terms, or the negotiations leading to this Agreement with anyone
16 other than the Court, Class Members, or those individuals necessary to effectuate the terms of the
17 Agreement. The prohibition set forth in this Paragraph 59 includes, but is not limited to: (i)
18 publication by the Named Plaintiff or Class Counsel on any website (including, without limitation,
19 publishing on any Twitter account, Facebook, other social media, or blog, or business website) of
20 the amount or terms of the settlement, with or without identifying information; and (ii) the
21 submission of information to Verdicts & Settlements or any other publication that summarizes the
22 results of jury verdicts and settlements.

23 a. Notwithstanding the foregoing, Class Counsel may respond to questions
24 received from, and discuss any aspect of this Agreement with the Class Members or their legal
25 representatives, the Settlement Administrator, the Court, and representatives of the California
26 Labor and Workforce Development Agency.

27 b. Notwithstanding the forgoing, nothing in this Paragraph shall prohibit the
28 filing of information with the Court or the LWDA relating to the Settlement that is necessary to

1 effectuate this Agreement, or the online posting of documents relating to the Action by the
2 Settlement Administrator as permitted by this Agreement including the Judgment entered by the
3 Court.

4 c. The Named Plaintiff and Class Counsel agree that all data and information
5 informally produced by Defendants in connection with the settlement of this Action will be
6 maintained in confidence, and will not be shared with any other persons or entities.

7 60. Invalidation Of Agreement For Failure To Satisfy Conditions. If the Court makes
8 material changes to the material terms or conditions of Paragraphs 1 through 59 of this Agreement
9 that are not agreed to by the Parties, either Party shall have the right to terminate this Agreement,
10 in which case Defendants would not be obligated to make any payments to any Class Member or
11 Aggrieved Employee, to Class Counsel, or to the Named Plaintiff. The Parties shall meet and
12 confer in good faith as necessary before exercising such right.

13 61. Modification In Writing. This Agreement may be altered, amended, modified or
14 waived, in whole or in part, only in a writing signed by all signatories to this Agreement. This
15 Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

16 62. Ongoing Cooperation. The Named Plaintiff and Defendants will execute all
17 documents and perform all acts necessary and proper to effectuate the terms of this Agreement.
18 In the event the Parties are unable to reach agreement on the form or content of any document
19 needed to implement the Settlement, or any supplemental provisions that may become necessary
20 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of the Court.

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

25 **CLASS COUNSEL**

26 SROURIAN LAW FIRM, P.C.
27 Daniel Srourian, Esq
28 Patrick E. White III, Esq.
3435 Wilshire Blvd., Suite 1710
Los Angeles, California 90010

Telephone: (213) 474-3800

COUNSEL FOR DEFENDANTS

RUTAN & TUCKER, LLP
Edson K. McClellan, Esq.
Kimberly A. Nayagam, Esq.
18575 Jamboree Road, 9th Floor
Irvine, California 92612
Telephone: (714) 641-5100

64. 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.

65. Entire Agreement. This Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Named Plaintiff, the Class Members, and the Aggrieved Employees, on the one hand, and Defendants, 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 Claims, and the Released Claims against Defendants 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.

66. 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.

67. Captions. The captions, section numbers, and paragraph numbers, in this

1 Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or
2 describe the scope or intent of the provisions of this Agreement.

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

6 69. Reservation Of Jurisdiction. Notwithstanding the dismissal of the Action and entry
7 of the Final Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting
8 and enforcing the terms of this Agreement.

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

14 71. Representation and Warranties. Class Counsel and the Named Plaintiff represent
15 and warrant to Defendants that they are not aware of any attorneys beyond those named as Class
16 Counsel who have claims for fees arising out of the Action or the Settlement contemplated by this
17 Agreement.

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

25 73. Representation By Counsel. The Parties acknowledge that each of them has been
26 represented by their respective counsel throughout all negotiations that preceded the execution of
27 this Agreement, and that this Agreement has been executed with the consent and advice of their
28 respective counsel. Further, the Named Plaintiff and Class Counsel warrant and represent that

1 there are no liens on the Settlement Agreement, and that after entry by the Court of the Final Order
2 and Judgment, the Settlement Administrator may distribute funds to Participating Class Members,
3 Aggrieved Employees, Class Counsel, the LWDA, the Settlement Administrator, and the Named
4 Plaintiff as provided by this Agreement.

5 74. Representation By The Named Plaintiff. The Named Plaintiff agrees not to request
6 to be excluded from the Class and not to object to any terms of this Agreement. Any such request
7 by the Named Plaintiff for exclusion or objection shall be void and of no force or effect.

8 75. Additional Attorneys' Fees and Costs. No Participating Class Member, Aggrieved
9 Employee, or Class Counsel, or any other attorney acting for any Participating Class Member or
10 Aggrieved Employee, may recover or seek to recover any amounts for fees, costs, or disbursements
11 arising from the Action or the Gross Settlement Amount from the Released Parties except as
12 expressly provided in this Agreement.

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

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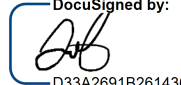
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77. No Collateral Attack. This Agreement will not be subject to collateral attack by any Class Member, Aggrieved Employee, or any recipient of the Class Notice after the Final Order and Dismissal. Such prohibited collateral attacks shall include but not be limited to claims that the Class Member failed for any reason to receive timely notice of the procedure for disputing the calculation of their Individual Settlement Payment, or for opting out of the Settlement.

IT IS SO AGREED:

Dated: 4/26/2022

PLAINTIFF JOHNNY GALAN

By:  D33A2691B261436
Johnny Galan
Named Plaintiff

Dated: April 20, 2022

DEFENDANT J.L. RAY COMPANY, INC.

By: 
Title: _____

Dated: April 20, 2022

DEFENDANT JEFFREY L. RAY

By: 
Title: _____

Dated: April 20, 2022

DEFENDANT JENNA R. RAY

By: 
Title: _____

1 APPROVED AS TO FORM ONLY AND AGREE TO BE
2 BOUND BY PARAGRAPH 59:

3 Dated: 4/26/22

SROURIAN LAW FIRM, P.C

4
5 By: 
6 Daniel Srourian, Esq.
7 Attorney for Plaintiff

8 APPROVED AS TO FORM ONLY:

9 Dated: April 20, 2022

RUTAN & TUCKER, LLP

10 By: 
11 Edson K. McClellan, Esq.
12 Attorney for Defendants J.L. Ray
13 Company, Inc., Jeffrey L.
14 Ray, and Jenna R. Ray
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Exhibit “A”

Exhibit “A”

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER

JOHNNY GALAN, individually, and on behalf
of all others similarly situated,

Plaintiff,

v.

J.L. RAY COMPANY, INC., a California
Corporation; JEFFREY L. RAY, an individual;
JENNA R. RAY, an individual; and DOES 1
through 100, inclusive,

Defendants.

Case No. 30-2021-01197517-CU-OE-CXC

ASSIGNED FOR ALL PURPOSES TO:
HON. WILLIAM CLASTER, DEPT CX104

NOTICE OF PROPOSED CLASS ACTION
AND PAGA SETTLEMENT AND FINAL
FAIRNESS HEARING

YOU MAY BE ENTITLED TO BENEFITS FROM THIS SETTLEMENT. YOUR ESTIMATED PARTICIPATING CLASS MEMBER SETTLEMENT PAYMENT IS \$ _____ AND YOUR ESTIMATED INDIVIDUAL PAGA SETTLEMENT PAYMENT, TO THE EXTENT APPLICABLE, IS \$ _____. PLEASE CONTINUE READING TO LEARN HOW THIS SETTLEMENT AFFECTS YOUR RIGHTS.

Notice is hereby given that a proposed Settlement Agreement And Stipulation To Resolve Class Action And PAGA Claims (the “**Settlement**” or “**Settlement Agreement**”) has been reached between plaintiff Johnny Galan (“**Plaintiff**”) in *Johnny Galan v. J.L. Ray Company, Inc., et al.*, Orange County Superior Court Case No. 30-2021-01197517-CU-OE-CXC (the “**Action**”) on the one hand, and Defendants J.L. Ray Company, Inc. (“**J.L. Ray**”), Jeffery L. Ray, and Jenna R. Ray (collectively, “**Defendants**”) on the other hand.

The Action is a class action and PAGA representative action lawsuit. Plaintiff and Defendants have reached a settlement of the Action, and the Orange County Superior Court (the “**Court**”) has granted preliminary approval of the settlement.

The proposed Settlement will resolve all Released Claims made against Defendants and other Released Parties (defined below and in the Settlement Agreement) on behalf of all “**Class Members**” or the “**Class**,” defined as: all non-exempt, hourly-paid employees of J.L. Ray employed in California at any time during the period beginning on April 27, 2017 and extending through March 26, 2022 (the “**Class Period**”). If you satisfy this criteria, you are eligible to participate in the class action settlement.

The proposed Settlement will also resolve all PAGA Claims made against Defendants and other Released Parties on behalf of all “**Aggrieved Employees**,” defined as: all non-exempt, hourly-paid employees of J.L. Ray employed in California at any time during the period between April 27, 2020 and March 26, 2022 (the “**PAGA Period**”). Any Class Member who worked during the PAGA Period will be considered an Aggrieved Employee and therefore, regardless of how they respond to this Notice, all Aggrieved Employees will (i) receive their portion of the PAGA settlement payment; and (ii) release all PAGA Claims against the Released Parties as set forth in the Settlement Agreement.

A. PURPOSE OF THIS NOTICE

The Court has ordered that this Class Notice be sent to you because Defendants’ records reflect that you are a potential member of the Class, as defined above.

The purpose of this Notice is to: (a) provide a brief description of the Action; (b) inform you of the proposed Settlement; and (c) discuss your rights and options with respect to the Action and the Settlement.

B. DESCRIPTION OF THE ACTION

The Action was filed by Plaintiff on behalf of all non-exempt, hourly-paid employees who worked at J.L. Ray during the Class Period. As alleged in the Action, Plaintiff claims that Class Members were wrongfully denied wages and overtime compensation, meal and rest breaks, accurate wage statements, and other rights guaranteed under the California Labor Code.

The Action asserts class allegations against Defendants for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish accurate wage statements; (6) failure to pay all wages upon termination; (7) failure to indemnify business expenses; and (8) unfair competition. The Action also asserted claims for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants.

The Court has made no ruling on the merits of Plaintiff’s claims or Defendants’ defenses. The Court has, however, preliminarily approved the proposed Settlement between Plaintiff and Defendants. The Court will decide whether to give final approval to the Settlement at a hearing scheduled for _____, 2022, at _____:_____ a.m., in Department CX104 of the Orange County Superior Court, located at Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Boulevard, Santa Ana, California 92701.

Attorneys for the Class (“**Class Counsel**”) in the Action are:

SROURIAN LAW FIRM, P.C.
Daniel Srourian, Esq.
Patrick E. White III, Esq.
3435 Wilshire Blvd., Suite 1710
Los Angeles, California 90010
Telephone: (213) 474-3800

Defendants’ counsel in the Action are:

RUTAN & TUCKER, LLP
Edson K. McClellan, Esq.
Kimberly A. Nayagam, Esq.
18575 Jamboree Road, 9th Floor
Irvine, California 92612
Telephone: (714) 641-5100

C. YOUR OPTIONS

If you fit within the above description of the Class, you have several options. Your rights regarding each option, and the procedure you must follow to select each option, are explained below.

1. OPTION 1: Do Nothing and Remain a Member of the Class and Participate in the Class Settlement.

If you want to participate in the Settlement and receive a Participating Class Member Payment (defined below), **DO NOT TAKE ANY ACTION**. You will automatically be included in the Settlement and will receive a Participating Class Member Payment and your respective portion of the PAGA Payment (if eligible) as detailed below. If you move, make sure you contact the Settlement Administrator at the following address or phone number:

SETTLEMENT ADMINISTRATOR
[INSERT ADDRESS AND PHONE NUMBER]

YOUR ESTIMATED PARTICIPATING CLASS MEMBER PAYMENT IS \$ [REDACTED]. This amount is based on the number of workweeks during which you worked during the Class Period, based on the best information available, which is [REDACTED] workweeks. Your estimated share of the Net Class Settlement Amount was calculated by dividing the number of workweeks you worked in a non-exempt position during the Class Period by the total number of workweeks worked by all Class Members during the Class Period and multiplying this figure by the Net Class Settlement Amount (the Gross Settlement Amount of \$225,000.00 minus Class Counsel's attorneys' fees and costs, any enhancement payment to Plaintiff, the PAGA Amount, and settlement administration fees and costs).

If you believe the number of workweeks stated above is incorrect and you wish to challenge it, you must send the enclosed dispute form to the Settlement Administrator, stating what you believe is the correct number of workweeks, and providing any documents or other back-up you have for what you believe is the correct number. This form must be postmarked no later than [date]. You must also provide your name and telephone number. Defendants will have the right to respond to any challenge by a Class Member. The Settlement Administrator will resolve the challenge and make a final and binding determination without hearing or right of appeal. The Settlement Administrator's determination will be subject to review by the Court at the time of the final approval hearing. If you want confirmation that your correspondence has been received by the Settlement Administrator, you may send your letter by certified U.S. Mail with a return receipt request.

If you choose to participate in the Class Settlement, you will be bound by all the terms set forth in the Class Settlement, including a full release of claims for the matters being settled in the Action.

2. OPTION 2: Opt Out of the Class and Receive Nothing Under the Class Settlement.

If you do not want to remain a member of the Class, you can request exclusion from the Class (i.e., "opt out"). In order to opt out of the Class and the Settlement, you must mail a written, signed request for exclusion to the Settlement Administrator at [insert Settlement Administrator's address], such that it is postmarked no later than [date]. This request for exclusion must contain the following information:

- (a) your printed full name (and any other names used while employed by Defendants);
- (b) a clear reference to the Action; and
- (c) language indicating that you want to opt out of the Settlement (for example: "I want to opt out of the class action settlement described in the Class Notice I received.").

This request must be **signed** by you.

If you opt out of the Class, you will no longer be a member of the Class, you will be barred from participating in the class action portion of the Settlement, and you will not receive a Participating Class Member Payment. By opting out of the Class, you will retain whatever individual rights or claims you may have, if any, against Defendants, and you will be free to pursue them on an individual basis, if you choose to do so. However, if you opt-out of the Settlement, and you are an Aggrieved Employee, you will still receive a payment representing PAGA penalties as an Aggrieved Employee, in which case you would still be bound by the PAGA portion of the Settlement.

3. OPTION 3: Object to the Settlement.

If you are a Class Member who does not opt out of the Class, you may object to the Settlement, personally or through an attorney, by submitting your objection to the Settlement Administrator ([NAME]), at [insert Settlement Administrator's address]. Your objection **must be signed** and must include the following:

- (a) your printed full name (and any other names used while employed by Defendants);
- (b) your full current address;
- (c) a clear reference to the Action; and
- (d) language clearly explaining why you believe the Settlement is unfair or why you are objecting to it.

All written objections must be postmarked on or before [date]. Failure to submit a written objection does not waive any Class Member's right to appear at the Final Fairness Hearing to object orally to the Settlement. If you object to the Settlement and if the Court approves the Settlement as set forth in the Settlement Agreement, you will be bound by the terms of the Settlement in the same way as a Class Member who does not object.

D. SUMMARY OF TERMS OF SETTLEMENT

The principal terms of the Settlement reached between Plaintiff and Defendants are summarized below.

1. Settlement Terms

The Settlement provides that (a) J.L. Ray will pay \$225,000.00 (the "**Gross Settlement Amount**") to resolve all claims asserted in the Action, including Plaintiff's enhancement award, Class Counsel's attorneys' fees and costs, and the costs of settlement administration, as described more fully below; and (b) Defendants will stipulate to the certification of the Class for settlement purposes only, conditioned upon the Court granting final approval of the Settlement.

- Attorneys' Fees and Costs. Class Counsel will apply to the Court for an award of attorneys' fees in the amount that does not exceed one-third (approximately 33.33%) of the Gross Settlement Amount, or \$75,000. In addition, Class Counsel will seek reimbursement of actual costs of no more than \$15,000, as well as settlement administration costs not to exceed the amount of \$10,000.00. The attorneys' fees and costs and settlement administration costs will be paid out of the Gross Settlement Amount.
- Named Plaintiff Enhancement Award. Plaintiff will request an enhancement award of \$5,000.00. The enhancement award will be paid out of the Gross Settlement Amount and be in addition to Plaintiff's Individual Settlement Payment.
- PAGA Amount. Plaintiff will request a payment pursuant to the Private Attorneys General Act ("**PAGA**") of \$22,500.00, of which 75% (or \$16,875.00) will be paid to the Labor & Development Workforce Agency ("**LWDA**"), and 25% (or \$5,625.00) will be paid to Aggrieved Employees, as defined by the Settlement Agreement. This PAGA payment will be paid out of the Gross Settlement Amount.
- Payments To Participating Class Members. After the deductions from the Gross Settlement Amount, the remaining amount of approximately \$[redacted] will remain to be distributed to Participating Class Members on a *pro rata* basis based on each Class Member's workweeks worked as a non-exempt employee during the Class Period.
- Payments To Aggrieved Employees. Aggrieved Employees will also receive a *pro rata* portion of \$5,625.00 (the "**PAGA Payment**"), based on the formula set forth above, limited to workweeks worked during the PAGA Period. The PAGA Payment represents penalties under the Labor Code Private Attorneys General Act. Class Members who opt out of the Settlement and are Aggrieved Employees will still receive their portion of the PAGA Payment and will release all PAGA Claims against the Released Parties.

2. Settlement Payment To You

Section C of this Notice includes the estimated amount that you are entitled to receive under the Class Settlement. The individual settlement payments to Class Members will vary based on a number of factors, including the number of Class Members who participate. If you change your address, please notify the Settlement Administrator.

3. Taxes

For purposes of this Settlement, Participating Class Member Payments shall be reported as follows: (i) 10% of the amount distributed to each Participating Class Member will be considered wages, and will be reported as such to each Participating Class Member on a W-2 Form; (ii) 45% of the amount distributed to each Participating Class Member will be considered interest on the unpaid wages, and will be reported as such to each Participating Class Member on an IRS Form 1099; and (iii) 45% of the amount distributed to each Participating Class Member will be considered statutory penalties, and will be reported as such to each Participating Class Member on an IRS Form 1099. The Individual PAGA Payments distributed to each Aggrieved Employee will be considered penalties and will be reported on an IRS Form 1099. Prior to mailing your Individual Settlement Payment, the Settlement Administrator will calculate and deduct from your Individual Settlement Payment an amount necessary to pay the required withholdings and taxes, including all payroll taxes. The Settlement Administrator will remit that money to the appropriate governmental agencies. The Settlement Administrator will also issue you appropriate tax forms, including an IRS Form 1099 and W-2 Form. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

4. Release

The Settlement provides that each Class Member who does not opt out of the Settlement fully releases and discharges Defendants and the Released Parties from any and all claims against Defendants and the Released Parties that: (a) arise from the facts, matters, transactions, or occurrences alleged in the Action or that could have been alleged in the Action based on such facts; or (b) arise from the facts, matters, transactions, or occurrences alleged, or that could have been alleged, in Plaintiff's PAGA letter to the LWDA. Without limiting the foregoing, and in addition to the foregoing, the Released Claims include claims premised on failure to pay overtime wages; failure to pay regular wages; failure to pay minimum wages; off-the-clock work; failure to provide meal periods and rest breaks or additional pay in lieu thereof; failure to provide and maintain complete and accurate itemized wage statements that included all information required by the California Labor Code; failure to keep accurate time records; failure to provide employees with rates of pay and overtime rates applicable to their employment, including failure to properly calculate the overtime rate (regular rate of pay); failure to reimburse employees for costs incurred in furtherance of work duties; untimely payment of wages; violations of California's sick leave laws; failure to provide adequate seating; failure to accurately keep record of and pay/provide vacation time; violations of California Labor Code §§ 201-204, 206, 210, 216, 218.5, 218.6, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 246.5, 248.5, 256, 432.5, 450, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2698, *et seq.*; related violations of the applicable California Wage Orders; violations of all related or corresponding federal laws; and violation of California Business and Professions Code section 17200, *et seq.* (the "**Released Claims**").

Moreover, the Settlement provides that each Aggrieved Employee fully releases and discharges Defendants and the Released Parties from any and all claims against Defendants and the Released Parties that: (a) arise from the facts, matters, transactions, or occurrences alleged in the Action or that could have been alleged in the Action based on such facts; or (b) arise from the facts, matters, transactions, or occurrences alleged, or that could have been alleged, in Plaintiff's PAGA letter to the Labor and Workforce Development Agency ("LWDA"). Without limiting the foregoing, and in addition to the foregoing, the PAGA Claims include claims premised on failure to pay overtime wages; failure to pay regular wages; failure to pay minimum wages; off-the-clock work; failure to provide meal periods and rest breaks or additional pay in lieu thereof; failure to provide and maintain complete and accurate itemized wage statements that included all information required by the California Labor Code; failure to keep accurate time records; failure to provide employees with rates of pay and overtime rates applicable to their employment, including failure to properly calculate the overtime rate (regular rate of pay); failure

to reimburse employees for costs incurred in furtherance of work duties; untimely payment of wages; violations of California's sick leave laws; failure to provide adequate seating; failure to accurately keep record of and pay/provide vacation time; violations of California Labor Code §§ 201-204, 206, 210, 216, 218.5, 218.6, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 246.5, 248.5, 256, 432.5, 450, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2698, *et seq.*; and related violations of the applicable California Wage Orders (the "**PAGA Claims**"). The Aggrieved Employees and the State of California will be deemed by operation of the Final Order and Judgment to have agreed not to sue or otherwise make a claim against Defendants and any of the Released Parties for the PAGA Claims that arose during the PAGA Period, to the extent permissible by law.

Participating Class Members will be permanently enjoined and forever barred from prosecuting any and all Released Claims released pursuant to the Settlement Agreement against the Released Parties. A complete statement of the release of claims is contained in the Settlement Agreement and is binding on all Class Members who do not opt out of the Settlement. A copy of the Settlement Agreement may be obtained from the Settlement Administrator.

5. Conditions Of The Settlement

The Settlement is conditioned upon the Court entering an Order at or following the Final Fairness Hearing approving the Settlement as fair, reasonable, and adequate and in the best interests of the Class.

6. No Admission Of Liability

Defendants do not admit any wrongdoing or liability, and specifically deny any liability or wrongdoing. The proposed Settlement reflects a compromise of disputed claims and does not mean that Defendants violated any state wage requirements or is liable for any of the allegations made by Plaintiff.

E. FAIRNESS HEARING ON PROPOSED SETTLEMENT

You are not required to attend the Final Fairness Hearing or file an objection, although you may do both. The Final Fairness Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, costs of administration, the enhancement awards to Plaintiff, and Class Counsel's request for attorneys' fees and costs will be held on _____ a.m., in Department CX104 of the Orange County Superior Court, located at Orange County Superior Court, Central Justice Center, 700 Civic Center Drive West, Santa Ana, CA 92701. The Final Fairness Hearing may be continued to another date without further notice. If you plan to attend the Final Fairness Hearing, you may contact Class Counsel to confirm the date and time.

Any Class Member who does not object in the manner provided above shall be deemed to have approved the Settlement and to have waived any objections, and shall be forever foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the plan of distribution, the payment of attorneys' fees and costs, the administration process, the enhancement award to Plaintiff, or any other aspect of the Settlement. If the Settlement is not approved, the Action will continue to be prepared for class certification, trial, or other judicial resolution.

F. ADDITIONAL INFORMATION

This Class Notice only summarizes the Action, the Settlement, and related matters. You may inspect the Court files at the Orange County Superior Court, located at Orange County Superior Court, Civil Complex Center, 751 W. Santa Ana Boulevard, Santa Ana, California 92701, from 8:00 a.m. to 4:00 p.m., Monday through Friday. Information about the Court's current COVID-19 protocols can be found on the Court's website: <https://www.occourts.org/index.html>. Alternatively, you can view the case records online at the court's website: <https://www.occourts.org/online-services/case-access/>. Click "Civil Case & Document Access", then click "Accept Terms". Follow the instructions for submitting the Case Number: 30-2021-01197517-CU-OE-CXC, the Year Filed: 2021. Then click "search" to view the case record.

Any questions regarding this Class Notice or the Action may be directed to the Settlement

Administrator at [insert Settlement Administrator's address and telephone number]. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address and telephone number set forth above. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.

Johnny Galan v. J.L. Ray Company, Inc., et al.,
Orange County Superior Court, Case No. 30-2021-01197517-CU-OE-CXC
DISPUTE FORM

||||| Claim #: CAW-«Claim»-«CD»-«Seq» «MailRec»
 «First1» «Last1»
 «c/o»
 «Address1» «Address2»
 «City», «ST» «Zip» «Country»

Name/Address Changes (if any):

First Name	Last Name
Address	
City	State Zip

Email address: _____

If your name or address is different from those shown above, print corrections on the lines to the right.

Your estimated Participating Class Member Payment (shown below) is based on your workweeks worked during the Class Period. Your estimated Participating Class Member Payment is a proportion of the total number of workweeks worked by all Class Members.

Class Period:	Covered Period Start Date – Covered Period End Date
Workweeks	«Workweeks»
Estimated Class Member Payment:	«Estimated Amount»

Your actual Participating Class Member Payment may be higher or lower based on the number of Class Members who opt-out, the Court's rulings related to fees, costs, incentive payment, and other factors. Unless you believe that any information above is inaccurate, you do not need to do anything to receive your settlement amount.

DO NOT fill out the portion below or return this form *UNLESS you believe any of the information above is not accurate or your address is incorrect*. If you would like to dispute the above information, please sign and date the below, and mail it to the Settlement Administrator along with supporting evidence or information on or before **Response Date**.

OPTION TO DISPUTE

☐ I wish to dispute the workweeks worked data above. I believe that I worked _____ workweeks for J.L. Ray Company, Inc. ("J.L. Ray") as a non-exempt, hourly paid employee in California during the Class Period. I have enclosed documentation substantiating my dispute. **I recognize that my dispute will not be reviewed without documentary evidence to support my dispute.** I understand that by submitting this dispute, the Settlement Administrator will review J.L. Ray's records and make a determination based on those records and the records I submit, and that this determinations will be final and binding.

Sign your name here	Date
Print your name here	Telephone Number

YOU MUST MAIL OR FAX THIS DISPUTE FORM BY _____, 2022 TO THE FOLLOWING ADDRESS OR FAX:

c/o [Administrator]
 P.O. Box *****
 *****, CA *****
 Fax: (***) ***-****

If you want confirmation that your correspondence has been received by the Settlement Administrator, you may send your letter by certified U.S. Mail with a return receipt request.

Exhibit “B”

Exhibit “B”

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER

FERNANDO VIGIL and DOUGLAS R.
HERNANDEZ, as individuals and on behalf of
all others similarly situated,

Plaintiffs,

vs.

CAPSTONE TURBINE CORPORATION, a
Delaware corporation; KIRK PETTY, an
individual; LEAH HAYS, an individual; and
DOES 1 through 100, inclusive,

Defendants.

Case No. 30-2021-01197517-CU-OE-CXC

ASSIGNED FOR ALL PURPOSES TO:
HON. WILLIAM CLASTER, DEPT CX104

**[PROPOSED] FINAL APPROVAL ORDER
AND JUDGMENT**

Date Action Filed: April 27, 2021
Trial Date: Not Scheduled

1 This matter having come before the Court on _____, 20__ for a scheduled
2 Final Approval Hearing and entry of an Order Granting Final Approval of Class Action and PAGA
3 Settlement (“Final Order”) consistent with the Court’s _____, 20__ Preliminary
4 Approval Order, and as set forth in the Parties’ Settlement Agreement and Stipulation to Resolve
5 Class Action and PAGA Claims (“Settlement Agreement” or “Settlement”), and due and adequate
6 notice having been given to Class Members as required by the Preliminary Approval Order, and the
7 Court having considered all papers filed and proceedings herein, and having received no objections
8 to approval of the Settlement, and determining that the Settlement is fair, adequate and reasonable,
9 and otherwise being fully informed and good cause appearing therefore,

10 **It is hereby ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

11 1. The Settlement Agreement shall be incorporated into this Final Order and Judgment
12 as though all terms therein are set forth in full. Unless otherwise provided herein, all capitalized
13 terms used herein shall have the same meaning as defined in the Settlement Agreement.

14 2. Judgment is entered pursuant to the terms of the Settlement Agreement.

15 3. Consistent with the definitions provided in the Settlement Agreement, the “Class”
16 consists of: All non-exempt, hourly-paid employees of J.L. Ray employed in California at any time
17 during the period beginning on April 27, 2017 and extending through March 26, 2022 (the “Class
18 Period”).

19 4. Consistent with the definitions provided in the Settlement Agreement, “Aggrieved
20 Employees,” consists of: All non-exempt, hourly-paid employees of J.L. Ray employed in
21 California at any time during the period beginning on April 27, 2020 and extending through March
22 26, 2022 (the “**PAGA Period**”).

23 5. The following individuals have excluded themselves from the Settlement and,
24 therefore, are not part of the Class and are not bound by the terms of the Settlement: [list
25 individuals.]

26 6. Because adequate notice has been disseminated, and all potential Class Members
27 have been given an opportunity to opt out of the Action, the Court has jurisdiction over the subject
28 matter of this proceeding and over all Parties to this proceeding, including all Class Members and

1 Aggrieved Employees. In addition, the Court has personal jurisdiction over all Class Members
2 and Aggrieved Employees with respect to the Action and the Settlement.

3 7. Distribution of the Class Notice directed to the Class Members, as set forth in the
4 Settlement Agreement, has been completed in conformity with the Preliminary Approval Order,
5 including individual notice to all Class Members who could be identified through reasonable
6 effort, and the best notice practicable under the circumstances. The Class Notice provided due and
7 adequate notice of the proceedings and of the matters set forth in the Preliminary Approval Order,
8 including the proposed Settlement as set forth in the Settlement Agreement, and fully satisfied the
9 requirements of California law, the California and United States Constitutions (including the Due
10 Process Clause), the requirements of Code of Civil Procedure § 382, and California Rules of Court
11 rule 3.766, and any other applicable law. The Class Notice also provided due and adequate notice
12 to Class Members of their right to exclude themselves from the Settlement, as well as their right
13 to object to any aspect of the proposed Settlement.

14 8. For the reasons set forth in the Preliminary Approval Order, which are adopted and
15 incorporated herein by reference, the Court hereby finds the Settlement was entered into in good
16 faith and further finds that the Settlement is fair, reasonable, and adequate, and in the best interests
17 of each of the Parties, the Participating Class Members, the Aggrieved Employees, and the State
18 of California.

19 9. Named Plaintiff has satisfied the standards and applicable requirements for final
20 approval of this class action and PAGA Settlement under California law, including the provisions
21 of California Code of Civil Procedure section 382, California Rule of Court 3.769, and Federal
22 Rule of Civil Procedure 23, approved for use by the California state courts in *Vasquez v. Superior*
23 *Court*, 4 Cal. 3d 800, 821 (1971).

24 10. The Court hereby approves the settlement terms set forth in the Settlement
25 Agreement and finds that the Settlement is, in all respects, fair, adequate, and reasonable, and
26 directs the Parties to effectuate the Settlement according to the terms outlined in the Settlement
27 Agreement. The Court finds that the Settlement was reached as a result of intensive, serious, and
28 non-collusive arms-length negotiations. In granting final approval of the Settlement Agreement,

1 the Court considered the nature of the claims, the amounts and kinds of benefits paid in settlement,
2 the allocation of settlement proceeds among the Participating Class Members and Aggrieved
3 Employees, and the fact that a settlement represents a compromise of the Parties' respective
4 positions rather than the result of a finding of liability at trial. Additionally, the Court finds that
5 the terms of the Settlement Agreement have no obvious deficiencies and do not improperly grant
6 preferential treatment to any individual Class Member or Aggrieved Employee. Accordingly, the
7 Court finds that the Settlement Agreement was entered into in good faith. The Court hereby makes
8 final its earlier provisional certification of the Class, as set forth in the Preliminary Approval Order.

9 11. Upon the Settlement Administrator's receipt of the Gross Settlement Amount from
10 J.L. Ray, the Named Plaintiff, all Participating Class Members, and the Aggrieved Employees
11 shall be bound by the releases set forth in the Settlement Agreement. Except as to such rights or
12 claims that may be created by the Settlement, all Class Members as of the date of this Final Order
13 and Judgment who did not timely opt-out, all Aggrieved Employees, and the State of California
14 are hereby forever barred and enjoined from prosecuting or seeking to reopen all claims released
15 by the Settlement Agreement against the Released Parties.

16 12. Upon the Settlement Administrator's receipt of the Gross Settlement Amount from
17 J.L. Ray, the Named Plaintiff and all Participating Class Members shall be deemed to have fully,
18 finally, and forever released, settled, compromised, relinquished and discharged any and all of the
19 Released Parties of and from any and all Released Claims that arose during the Class Period. This
20 release by the Named Plaintiff and each Participating Class Member is intended to settle any and all
21 of the Released Claims that any of them may have against the Released Parties during the Class
22 Period.

23 13. Upon the Settlement Administrator's receipt of the Gross Settlement Amount from
24 J.L. Ray, the Named Plaintiff, all Aggrieved Employees, and the State of California shall be deemed
25 to have fully, finally, and forever released, settled, compromised, relinquished and discharged any
26 and all of the Released Parties of and from any and all PAGA Claims that arose during the PAGA
27 Period. This release is intended to settle any and all of the PAGA Claims that could have been
28 asserted against the Released Parties during the PAGA Period.

1 14. Upon the Settlement Administrator's receipt of the Gross Settlement Amount from
2 J.L. Ray: (i) the Named Plaintiff and the Participating Class Members shall be permanently enjoined
3 and forever barred from prosecuting any and all Released Claims released against the Released
4 Parties; and (ii) the Named Plaintiff, the Aggrieved Employees, and the State of California shall be
5 permanently enjoined and forever barred from prosecuting any and all PAGA Claims released
6 against the Released Parties.

7 15. Upon the Settlement Administrator's receipt of the Gross Settlement Amount from
8 J.L. Ray, the Named Plaintiff shall be deemed to have fully released and discharged Defendants
9 and the other Released Parties from the Released Claims, the PAGA Claims, and any other claims
10 that the Named Plaintiff now has or claim to have, or has ever had or claimed to have, against the
11 Released Parties, whether known or unknown.

12 16. Neither the Settlement nor any of the terms set forth in the Settlement Agreement
13 are admissions by Defendants, or any of the other Released Parties, of liability on any of the
14 allegations alleged in the Action, nor is this Final Order and Judgment a finding of the validity of
15 any claims in the Action, or of any wrongdoing by Defendants or any of the other Released Parties.

16 17. The Court hereby confirms Daniel Srourian and Patrick E. White III of Srourian
17 Law Firm, P.C. as Class Counsel for the *Johnny Galan v. J.L. Ray Company, Inc., et al.* action,
18 and finds that Class Counsel has adequately represented the Class for purposes of entering into
19 and implementing the Settlement.

20 18. The Court hereby finds the \$225,000.00 Gross Settlement Amount provided for
21 under the Settlement to be fair and reasonable. J.L. Ray is required to make all payments necessary
22 to fund the Settlement in accordance with the terms of the Settlement Agreement. The employer's
23 share of payroll taxes shall be paid by J.L. Ray separately from and in addition to the Gross
24 Settlement Amount.

25 19. Pursuant to the terms of the Settlement, and the authorities, evidence, and argument
26 set forth in Class Counsel's application, an award as final payment for and complete satisfaction
27 of any and all attorneys' fees and costs incurred by and/or owed to Class Counsel is hereby granted
28 as follows: (1) attorneys' fees in the amount of \$ _____ to Class Counsel; and (2) costs and

1 expenses in the amount of \$ _____. The Court finds that Class Counsel's request falls within
2 the range of reasonableness and that the result achieved justifies the award and that the requested
3 expenses were reasonably incurred. The payment of fees and costs to Class Counsel shall be made
4 from the Gross Settlement Amount in accordance with the terms of the Settlement Agreement.
5 The Court shall examine the final accounting at a Compliance Hearing set on
6 _____, 20__.

7 20. It is hereby ordered that a service award of \$5,000.00 the Named Plaintiff Johnny
8 Galan is fair and reasonable as service awards for his service to the class.

9 21. The Court also approves, and orders payment to, the California Labor and
10 Workforce Development Agency in the total amount of \$16,875.00, which reflects 75% of the
11 civil penalties payment for claims asserted under PAGA. The PAGA payment shall be made from
12 the Gross Settlement Amount in accordance with the terms of the Settlement Agreement. The
13 Court approves payment of \$5,625.00 to the Aggrieved Employees pursuant to the terms of the
14 Settlement Agreement.

15 22. The Court further approves the payment of \$ _____ to [NAME] to cover the
16 costs of administration as provided for in the Settlement Agreement. The payment authorized by
17 this paragraph shall be made in accordance with the terms of the Settlement Agreement.

18 23. The Court finds the Individual Settlement Payments (consisting of the Participating
19 Class Member Payment and the Individual PAGA Payment) provided for under the Settlement
20 Agreement to be fair and reasonable. Accordingly, the Court approves and orders the calculations
21 and the payments to be made and administered to the Participating Class Members and Aggrieved
22 Employees in accordance with the terms of the Settlement Agreement. The Individual Settlement
23 Payments authorized by this paragraph shall be made in accordance with the terms of the
24 Settlement Agreement. It is also hereby ordered that, after 180 days from the date of distribution
25 of settlement funds to the Class, the funds from any uncashed and voided checks will be tendered
26 to Legal Aid Foundation of Los Angeles.

27 24. Paragraphs 18-23 of this Final Order and Judgment cover all Individual Settlement
28 Payments, claims for attorneys' fees and expenses, costs or disbursements incurred by Class

1 Counsel or any other counsel representing Named Plaintiff, other Class Members, or Aggrieved
2 Employees, or incurred by Named Plaintiff, Class Members, or Aggrieved Employees, or any of
3 them, in connection with or related in any manner to the Action, the Settlement, the administration
4 of the Settlement, the Released Claims, and the PAGA Claims. Defendants shall not be required
5 to pay any additional amounts in connection with the Settlement other than those amounts
6 specifically set forth in the Settlement Agreement.

7 25. If the Settlement does not become final and effective in accordance with the terms
8 of the Settlement Agreement, then this Final Order and Judgment and all orders entered in
9 connection herewith shall be rendered null and void and shall be vacated.

10 26. Without affecting the finality of the Settlement or this Final Order and Judgment,
11 this Court shall, pursuant to California Rule of Court 3.769(h), retain exclusive and continuing
12 jurisdiction over the Action and the Parties, including all Participating Class Members and
13 Aggrieved Employees, relating to the Action and the administration, implementation,
14 consummation, enforcement and interpretation of the Settlement Agreement and this Final Order
15 and Judgment and for any other necessary purpose.

16 27. The terms of the Settlement Agreement and this Final Order and Judgment are
17 binding on the Named Plaintiff, all other Participating Class Members, and the Aggrieved
18 Employees, as well as their heirs, executors and administrators, successors and assigns, and those
19 terms shall have *res judicata* and other preclusive effect in all pending and future claims, lawsuits,
20 or other proceedings maintained by or on behalf of any such persons, to the extent those claims,
21 lawsuits, or other proceedings assert claims released by the Settlement Agreement.

22 28. Neither this Final Order and Judgment, nor the Settlement Agreement (nor any
23 other document referred to herein, nor any action taken to carry out this Final Order and Judgment)
24 is, may be construed as, or may be used as, an admission or concession by or against the
25 Defendants or the Released Parties of the validity of any claim or any actual or potential fault,
26 wrongdoing or liability. Entering into or carrying out the Settlement Agreement, and any
27 negotiations or proceedings related to it, shall not be construed as, or deemed evidence of, an
28 admission or concession as to the Defendants' denials or defenses and shall not be offered or

1 received in evidence in any action or proceeding against any party hereto in any court,
2 administrative agency or other tribunal for any purpose whatsoever, except as evidence of the
3 settlement or to enforce the provisions of this Final Order and Judgment and the Settlement
4 Agreement; *provided, however*, that this Final Order and Judgment, and the Settlement Agreement
5 may be filed in any action against or by the Defendants or the Released Parties to support a defense
6 of *res judicata*, collateral estoppel, release, waiver, good-faith settlement, judgment bar or
7 reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar
8 defense or counterclaim.

9 29. The Settlement Administrator shall post notice of this Order and Judgment on its
10 website within 14 (fourteen) calendar days of entry of this Order and Judgment.

11 30. There is no reason to delay the enforcement of this Order and Judgment.

12
13 **IT IS SO ORDERED.**

14
15 Dated: _____, 2022

JUDGE OF THE SUPERIOR COURT

Exhibit “C”

Exhibit “C”

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CIVIL COMPLEX CENTER

JOHNNY GALAN, individually, and on behalf
of all others similarly situated,

Plaintiff,

v.

J.L. RAY COMPANY, INC., a California
Corporation; JEFFREY L. RAY, an individual;
JENNA R. RAY, an individual; and DOES 1
through 100, inclusive,

Defendants.

Case No. 30-2021-01197517-CU-OE-CXC

ASSIGNED FOR ALL PURPOSES TO:
HON. WILLIAM CLASTER, DEPT CX104

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT, APPROVING FORM OF
NOTICE TO THE CLASS, CERTIFYING
THE SETTLEMENT CLASS, AND
SETTING FINAL APPROVAL HEARING**

Date Action Filed: April 27, 2021
Trial Date: Not Scheduled

RECITALS

On _____, 2022, plaintiff Johnny Galan (the “Named Plaintiff”) from *Johnny Galan v. J.L. Ray Company, Inc., et al.*, Orange County Superior Court Case No. 30-2021-01197517-CU-OE-CXC (the “Action”), individually and on behalf of the Class and the Aggrieved Employees, and defendant Defendants J.L. Ray Company, Inc. (“J.L. Ray”), Jeffery L. Ray, and Jenna R. Ray (collectively, “Defendants”) entered into a class action and PAGA settlement, the terms and conditions of which are set forth in the Parties’ Settlement Agreement and Stipulation to Resolve Class Action and PAGA Claims (the “Settlement” or “Settlement Agreement”). Unless otherwise provided in this Order, all capitalized terms shall have the same meaning as set forth in the Settlement Agreement.

The motion of Named Plaintiff for an order preliminarily approving the Settlement, and setting a final approval hearing, came on for hearing in Department CX104 of this Court on _____, 2022. This Court, having fully considered Named Plaintiff’s Motion, the Memorandum of Points and Authorities in support thereof, the Declarations in support thereof, the Settlement Agreement, and the proposed form of Class Notice, finds that: (1) the Settlement appears fair, reasonable and adequate; and (2) a hearing should be held after notice to the Class (defined below) of the proposed settlement is given, to determine if the Settlement Agreement and settlement are fair, reasonable, and adequate and if a Final Order and Judgment should be entered in the Action based upon the Settlement Agreement.

ACCORDINGLY, THE COURT ORDERS AND MAKES DETERMINATIONS AS FOLLOWS:

**ORDER PROVISIONALLY CERTIFYING SETTLEMENT CLASS AND
APPOINTMENT OF CLASS REPRESENTATIVES AND CLASS COUNSEL**

1. The Court finds that certification of the following class, for settlement purposes only, is appropriate:

All non-exempt, hourly-paid employees of J.L. Ray employed in California at any time during the period beginning on April 27, 2017 and extending through March 26, 2022.

2. The Court grants preliminary approval of the terms and conditions contained in the Settlement Agreement. The Court finds that the terms of the Settlement Agreement are within the range of possible approval at the final approval hearing.

3. The Court preliminarily finds, for settlement purposes only, that the Class meets (i) the ascertainability and numerosity requirements because approximately [NUMBER] individuals have been identified as potential Class Members; (ii) the commonality requirement because, in the absence of class certification and settlement, each individual Class Member would have to litigate core common issues of law and fact, all relating to Defendant's alleged wage-and-hour violations asserted in the Action; (iii) the typicality requirement because the Named Plaintiff's and the Class Members' claims all arise from the same alleged events and course of conduct, and are based on the same legal theories; and (iv) the adequacy of representation requirement because the Named Plaintiff has the same interests as all members of the Class, and is represented by experienced and competent counsel.

4. The Court further finds, preliminarily and for settlement purposes only, that common issues predominate over individual issues in this litigation and that class treatment is superior to the other means of resolving this dispute. Employing the class device here will not only achieve economies of scale for Class Members with individual claims, but also conserve the resources of the judicial system and preserve public confidence in the integrity of the system by avoiding the waste and delay of repetitive proceedings. In addition, certifying the class will prevent inconsistent adjudications of similar issues and claims.

5. For settlement purposes only, the Court finds that Named Plaintiff Johnny Galan in the *Johnny Galan v. J.L. Ray Company, Inc., et al.* action is an adequate representative and appoints him as such. The Court further finds that Srourian Law Firm, P.C. has adequately represented the Named Plaintiff and the Class in this litigation, and the Court hereby appoints them as Class Counsel for the *Johnny Galan v. J.L. Ray Company, Inc., et al.* action.

6. The Court appoints [NAME] to perform the duties of a Settlement Administrator for the purpose of issuing the Class Notice and administering the Settlement.

7. The Court recognizes that certification under this Order is for *settlement purposes*

1 *only*, and shall not constitute or be construed as a finding by the Court, or an admission on the part
2 of Defendants, that the Action is appropriate for class treatment for litigation purposes. Entry of
3 this Order is without prejudice to the rights of Defendants to oppose class certification in this
4 Action, should the proposed Settlement Agreement not be granted final approval.

5 **PRELIMINARY APPROVAL OF THE SETTLEMENT AGREEMENT**

6 8. The Court hereby preliminarily approves the Gross Settlement Amount of
7 \$225,000.00. The Gross Settlement Amount includes payments to be made to Participating Class
8 Members, Aggrieved Employees, Class Counsel's attorneys' fees and costs, any enhancement
9 payment to the Named Plaintiff, payments under PAGA to the Labor and Workforce Development
10 Agency ("LWDA"), and settlement administration fees and costs.

11 9. The Court has reviewed the Settlement Agreement and the proposed Class Notice,
12 which is attached as an exhibit to the Settlement Agreement, and to this order as Exhibit 1. The
13 Court finds, on a preliminary basis, that the Settlement Agreement appears to be within the range
14 of reasonableness of a settlement that could ultimately be given final approval by this Court. It
15 appears to the Court on a preliminary basis that:

16 a. The settlement amount is fair and reasonable to all Class Members and
17 Aggrieved Employees when balanced against the probable outcome of further litigation relating
18 to liability and damages issues;

19 b. Extensive and costly investigation and research have been conducted such
20 that counsel for the Parties at this time are reasonably able to evaluate their respective positions;

21 c. Settlement at this time will avoid additional substantial costs, such as those
22 that have already been incurred by the Parties, as well as avoid the delay and risks that would be
23 presented by the further prosecution of this litigation; and

24 d. The proposed settlement has been reached as the result of intensive, serious,
25 and non-collusive arm's-length negotiations.

26 **APPROVAL OF DISTRIBUTION OF THE CLASS NOTICE**

27 **AND TIMELINE FOR SENDING CLASS NOTICE**

28 10. This Court finds that the Class Notice fairly and adequately advises the potential

1 Class Members and Aggrieved Employees of the terms of the Settlement. The Court also finds
2 that the Class Notice fairly and adequately advises the potential Class Members of the process for
3 the Class Members to obtain the benefits available under the Settlement Agreement, as well as the
4 right of Class Members to opt out of the class, to file documentation in opposition to the proposed
5 settlement, and to appear at the Final Fairness Hearing to be conducted on the date set by the Court.
6 The Court further finds that the Class Notice and proposed distribution of such Class Notice by
7 first-class mail to each identified Class Member at his or her last known address comports with all
8 constitutional requirements, including those of due process under the United States and California
9 constitutions, and meets the requirements of Code of Civil Procedure § 382 and California Rules
10 of Court rule 3.766. Accordingly, good cause appearing therefore, the Court hereby approves the
11 proposed Class Notice, attached hereto as Exhibit 1.

12 11. The Settlement Administrator shall, consistent with the time period set forth in the
13 Settlement Agreement, cause the Class Notice to be mailed by first class mail to all known Class
14 Members to the most recent address in J.L. Ray's business records, as updated by the Settlement
15 Administrator. The mailing of the Class Notices directed in this Order constitutes the best notice
16 practicable under the circumstances and sufficient notice to all Class Members.

17 12. Before the Final Fairness Hearing, the Parties will file with the Court proof of the
18 mailing of the Class Notice to the Class Members.

19 13. Each member of the Class who wishes to exclude himself or herself from the
20 Settlement must submit a request to be excluded to the Settlement Administrator by the close of
21 the Notice Period. Any Class Member who does not submit a timely request to be excluded from
22 the Settlement consistent with the terms of the Settlement Agreement will be bound by the terms
23 of the Settlement Agreement, even if such Class Member has previously initiated or subsequently
24 initiates individual litigation against Defendants, or the other Released Parties, or other
25 proceedings encompassed by the Settlement Agreement.

26 14. If 10% or more Class Members timely opt out of the Settlement, Defendants shall
27 have the sole and absolute discretion to withdraw from the Settlement Agreement within ten (10)
28 calendar days after Defendants receive notice of the number of opt outs by providing written notice

1 of such withdrawal to Class Counsel. In the event that Defendants elect to so withdraw, the
2 withdrawal shall have the same effect as a termination of the Settlement Agreement for failure to
3 satisfy a condition of settlement, and the Agreement shall become null and void and have no further
4 force or effect, and the class certified pursuant to the Agreement will be decertified for all purposes,
5 as set forth in paragraphs 49(d) and 37 of the Settlement Agreement.

6 **OBJECTIONS TO SETTLEMENT**

7 15. Any member of the Class who has not timely elected to be excluded from the Class,
8 and who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement
9 or the proposed settlement, or to the award of attorneys' fees and costs, shall provide to the
10 Settlement Administrator a written statement of the objection, as well as the specific reasons, if
11 any, for each objection. The Settlement Administrator will promptly transmit any objections it
12 receives to Class Counsel and Defendants' counsel.

13 16. All written objections must be signed by the Class Member or the Class Member's
14 representative and must include the information specified in the Class Notice.

15 17. A Class Member may also appear either in person or through personal counsel at
16 the Final Fairness Hearing to object to the Settlement. If represented by personal counsel, the
17 counsel will be hired at the Class Member's expense.

18 18. Any objection that is untimely or not submitted as provided for in this Order, shall
19 be deemed waived and will not be considered by the Court at the final approval hearing.

20 19. Class Counsel and Defendants' counsel will promptly furnish each other with
21 copies of any and all objections or written requests for exclusion that come into their possession.

22 **FINAL APPROVAL FAIRNESS HEARING**

23 20. The Court hereby grants Plaintiff's motion to set a hearing for final approval of the
24 Settlement Agreement on _____, 2022, at _____ in Department CX104 of this
25 Court ("Final Fairness Hearing"), as set forth in the Class Notice, to determine whether the
26 proposed settlement of this Action is fair, reasonable, and adequate and should be finally approved.
27 The Court will also consider at the Final Fairness Hearing whether applications for Named
28 Plaintiff's attorneys' fees and expenses and enhancement award to the Named Plaintiff should be

1 granted and, if so, in what amounts.

2 21. Class Members who have not timely elected to be excluded from the Class and who
3 object to the proposed Settlement may appear and present such objections at the Final Fairness
4 Hearing in person or by counsel. No briefs or papers shall be received or considered, unless the
5 requirements to object to the Settlement have been satisfied, except as this Court may permit for
6 good cause shown.

7 22. Class Counsel shall file Plaintiff's memorandum of points and authorities in
8 support of the final approval of the Settlement Agreement and their request for approval of the
9 attorneys' fees, enhancement award, and litigation costs no later than _____ days prior to the
10 Final Fairness Hearing. After the Final Fairness Hearing, the Court may enter a Settlement
11 Approval Order and Final Judgment in accordance with the Settlement Agreement that will
12 adjudicate the rights of all Class Members and Aggrieved Employees.

13 23. If, for any reason, the Court does not grant final approval of the Settlement, all
14 evidence and proceedings held in connection therewith will be without prejudice to the status quo
15 ante rights of the parties to the litigation as more specifically set forth in the Settlement Agreement.

16 24. All discovery and other pretrial proceedings in the Action are stayed and suspended
17 until further order of this Court, except such actions as may be necessary to implement the
18 Settlement and this Order.

19 25. To facilitate administration of the Settlement Agreement pending final approval,
20 the Court hereby enjoins all Class Members from filing or prosecuting any claims, suits or
21 administrative proceedings regarding claims released by the Settlement Agreement unless and
22 until such Class Members have opted-out of the Settlement Agreement, in accordance with the
23 terms set forth in the Class Notice, and the Notice Period has elapsed.

24 **IT IS SO ORDERED.**

25
26 Dated: _____, 2022

JUDGE OF THE SUPERIOR COURT