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JOSE MARTINEZ

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

JOSE MARTINEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

SOUTHLAND ENERGY SYSTEMS, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 21STCV06911

*[Assigned for all purposes to the Hon. Stuart M.
Rice, Dept. SSC-1]*

**DECLARATION OF SCOTT M. LIDMAN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: January 31, 2025
Time: 10:30 a.m.
Dept.: SSC-1

1 I, SCOTT M. LIDMAN, declare as follows:

2 1. I am a shareholder and principal of the law firm Lidman Law, APC, and counsel for the
3 named Plaintiff Jose Martinez (“Plaintiff”) and the proposed Settlement Class in the above-captioned
4 matter. I am a member in good standing of the bar of the State of California and am admitted to practice
5 in this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. I am a 1998 graduate of Santa Clara University School of Law, where I graduated *summa*
8 *cum laude*. During law school, I worked as a summer associate for the international employment law
9 firm of Littler Mendelson, P.C., located in Los Angeles, California.

10 3. Since graduating from law school, my practice has focused exclusively on employment
11 litigation. In September 1998, I began working as an associate attorney at the international law firm of
12 Littler Mendelson P.C., at its Los Angeles office, which according to its website is the largest law firm
13 in the world exclusively devoted to representing management in employment, employee benefits and
14 labor law matters.

15 4. In 2000, I left Littler Mendelson to work at the Los Angeles office of Jones Day, which
16 was at the time one of the largest international firms in the world. During my employment at Jones
17 Day, I worked exclusively in the labor and employment department. In or around 2003, I went to work
18 at the law firm of Loeb & Loeb, again working exclusively in the Labor & Employment department. In
19 2008, I returned to Littler Mendelson, was promoted to Shareholder in 2009, and from 2008 until the
20 end of 2017, I practiced exclusively labor and employment law, with a strong emphasis and most of my
21 time working on wage and hour class actions venued in both state and federal courts. During that time
22 and my legal career in general, I also worked on a number of single and multi-plaintiff wage and hour
23 matters as well.

24 5. During my employment at Littler Mendelson, I played a significant role in the class
25 actions that I was staffed on, and ran many on my own both as an Of Counsel and as a Shareholder. In
26 particular, I received a wide-array of wage and hour class action experience performing the following
27 types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions from state court
28

1 to federal court; drafting and responding to written discovery; drafting and opposing discovery related
2 motions; arguing discovery related motions; drafting motions to consolidate related matters;
3 interviewing putative class members and obtaining declarations in connection with class certification;
4 drafting oppositions to motions for class certification; drafting motions for decertification following
5 class certification; conducting exposure analyses to assess the strengths and weaknesses of asserted
6 claims, the likelihood of prevailing at class certification and potential damages resulting from such
7 claims; drafting mediation briefs; serving as the primary contact to in-house counsel; deposing named
8 plaintiffs and putative class members; deposing retained expert witnesses; and defending the depositions
9 of corporate witnesses. I also was involved in the negotiations and settlements of many large wage and
10 hour class actions. In short, I played an integral role in all aspects of litigation from the inception of a
11 matter through and beyond class certification. I also supervised the work of several junior attorneys
12 who were staffed on the same wage and hour class actions.

13 6. Although not exhaustive, below is a list of many of the wage and hour class and PAGA
14 actions that I performed substantial work on while I was a shareholder at Littler Mendelson:

- 15 ► *Ortega v. J.B. Hunt Transport, Inc.*, Case No. 07-cv-8336-RGK-AFMx, United
16 States District Court, Central District of California, Honorable Gary Klausner,
17 presiding¹.
- 18 ► *Aceves v. J.B. Hunt Transport, Inc.*, Case No. CIVDS1306133, California
19 Superior Court, County of San Bernardino, Honorable Michael Sachs, presiding.
- 20 ► *Moreno v. J.B. Hunt Transport, Inc.*, Case No. BC388612, California Superior
21 Court, County of Los Angeles, Honorable Mel Red Recana, presiding.
- 22 ► *Newcomb v. J.B. Hunt Transport, Inc.*, Case No. RG16815734, California
23 Superior Court, County of Alameda, Honorable Winifred Smith, presiding.
- 24 ► *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. 12-cv-08590-PA-MAN,
25 United States District Court, Central District of California, Honorable Percy
26 Anderson, presiding.

27 ¹ My work on this matter including proceedings not only in District Court, but also work before the United States Court of
28 Appeals for the Ninth Circuit as well as the United States Supreme Court.

- 1 ▶ *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. BC388612, California
2 Superior Court, County of Los Angeles, Honorable Elihu Berle, presiding.²
- 3 ▶ *Dugan v. Stoneledge Furniture, LLC*, Case No. 16-cv-01125-PA-FFMx, United
4 States District Court, Central District of California, Honorable Percy Anderson,
5 presiding.
- 6 ▶ *Klune v. Stoneledge Furniture, LLC*, Case No. 14-cv-03986-PA-FFMx, United
7 States District Court, Central District of California, Honorable Percy Anderson,
8 presiding.
- 9 ▶ *Diaz v. ABM Industries, Inc.; Ampco Parking*, Case No. BC362932, California
10 Superior Court, County of Los Angeles, Honorable Jane Johnson, presiding.³
- 11 ▶ *Adams v. Luxottica Retail North America, Inc.*, Case No. 07CC01346, California
12 Superior Court, County of Orange, Honorable Thierry Patrick Colaw, presiding.
- 13 ▶ *Sakkab v. Luxottica Retail North America, Inc.*, Case No. 12-cv-00436-GPC-
14 KSC, United States District Court, Southern District of California.⁴
- 15 ▶ *Page v. Oakley, Inc.*, Case No. FCS041512, California Superior Court, County
16 of Solano, Honorable Paul Berman, presiding.
- 17 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00731617-CU-OE-CJC California
18 Superior Court, County of Orange, Honorable William Claster, presiding.
- 19 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00723846-CU-DE-CXC, California
20 Superior Court, County of Orange, Honorable William Claster, presiding.
- 21 ▶ *Sierra v. Oakley, Inc.*, Case No. 13-cv-00319-AG-JPR, United States District
22 Court, Central District of California, Honorable Andrew Guilford, presiding.⁵

26 ² My work on this matter included proceedings not only in the trial court, but also before the California Courts of Appeal
27 and the California Supreme Court.

27 ³ This matter was consolidated and litigated collectively with Case Nos. BC380923, BC 381523 and BC 406663.

28 ⁴ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

28 ⁵ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ► *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
2 States District Court, Central District of California, Honorable Margaret Morrow,
3 presiding.
- 4 ► *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
5 States District Court, Central District of California, Honorable Margaret Morrow,
6 presiding.
- 7 ► *Khelghatian v. Comerica Bank, et al.*, Case No. 11-cv-7689-DSF-FFMx, United
8 States District Court, Southern District of California, Honorable John A.
9 Houston, presiding.
- 10 ► *Babasa v. Comerica Bank, et al.*, Case No. 11-cv-0595-JAH-BGS, United States
11 District Court, Central District of California, Honorable Margaret Morrow,
12 presiding.
- 13 ► *Bernal v. Comerica Bank, et al.*, Case No. 11-cv-01298-JAH-BGS, United States
14 District Court, Central District of California, Honorable Margaret Morrow,
15 presiding.
- 16 ► *Khalili v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx, United
17 States District Court, Northern District of California.
- 18 ► *Granata v. Comerica Bank, et al.*, Case No. 37-2011-00086316-CU-OE-CTL,
19 California Superior Court, County of San Diego, Honorable Jeffrey B. Barton,
20 presiding.
- 21 ► *Mathews v. Comerica Bank, et al.*, Case No. 111CV194781, California Superior
22 Court, County of Santa Clara.
- 23 ► *Gallegos v. Comerica Bank, et al.*, Case No. BC455515, California Superior
24 Court, County of Los Angeles, Honorable Terry Green, presiding.
- 25 ► *Rumohr v. Comerica Bank, et al.*, Case No. CGC-11-508433, California Superior
26 Court, County of San Francisco.

1 ► *Smith v. Werner Enterprises*, Case No. 15-cv-02978-RS, United States District
2 Court, Northern District of California, Honorable Richard Seeborg, presiding.

3 7. In January 2018, I voluntarily resigned from Littler Mendelson in order to open my own
4 law firm, Lidman Law, APC, to represent employees with work-related claims, including primarily
5 wage and hour claims and almost exclusively on a class-action basis. I am the President and Shareholder
6 of Lidman Law. Currently, over ninety percent (90%) of my practice is dedicated exclusively to the
7 prosecution of wage and hour class actions, and I am currently responsible for prosecuting over sixty-
8 five (65) wage and hour class actions filed in State courts throughout California, with several of them
9 having been removed to Federal courts. I believe that my professional experience renders me more than
10 qualified to serve as class counsel in this lawsuit involving claims of underpaid overtime and minimum
11 wages, meal and rest period violations, and derivative penalty claims. Not only have I litigated dozens
12 of wage and hour cases throughout my career involving similar claims, including the wage and hour
13 class actions identified above, I have litigated similar claims from both plaintiff and defense
14 perspectives. As a result, I am able to realistically assess and evaluate the facts and legal arguments
15 that can be made in pursuit and defense of similar wage and hour claims, as well as those facts and
16 arguments in support and in opposition to class certification. Consequently, I am able to appreciate the
17 significant risks, uncertainties, and delay involved in wage and hour class action litigation.

18 8. I have been appointed Class Counsel in: *Guardado v. Wesley Allen, Inc.*, Case No.
19 BC683027, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl
20 presiding; *Rodriguez v. Satco, Inc.*, Case No. BC682137, California Superior Court, County of Los
21 Angeles, Honorable Judge Ann I. Jones presiding; *Ong v. Howard's Appliances, Inc.*, Case No. 30-
22 2017-00964213-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
23 William Claster presiding; *Hanke v. C&W Facility Services, Inc.*, Case No. CIVDS1814412,
24 California Superior Court, County of San Bernardino, Honorable Judge David Cohn presiding; *Molina*
25 *v. Mader News, Inc.*, Case No. BC685960, California Superior Court, County of Los Angeles,
26 Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v. Salamander Fire Protection, Inc.*, Case
27 No. BC688326, California Superior Court, County of Los Angeles, Honorable Judge William F.

Highberger presiding; *Rodriguez v. H.F. Cox, Inc.*, Case No. BC653164, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Teran v. Western Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside, Honorable Judge Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No. BC688477, California Superior Court, County of Los Angeles, Honorable Judge Daniel J. Buckley presiding; *Huynh v. Polypeptide Laboratories, Inc.*, Case No. BC680872, California Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Guzman v. Century Blinds*, Case No. RIC1723654, California Superior Court, County of Riverside, Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing*, Case No. CIVDS1901039, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Coffee, et al. v. Flyers Transportation Energy, LLC*, Case No. 34-2017-00222084, California Superior Court, County of Sacramento, Honorable Judge Alan G. Perkins presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California Superior Court, County of Los Angeles, Honorable Judge Maren E. Nelson presiding; *Wennerstrom, et al. v. Giant Inland Empire R.V. Center*, Case No. CIVDS1617291, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Contreras, et al. v. Letter Ride, LLC*, Case No. 37-2018-00020841-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Eddie C. Sturgeon presiding; *Davis v. WeDriveU*, Case No. 18CV322578, California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh presiding; *Acuna v. Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of Los Angeles, Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*, Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District of California, the Honorable Judge Philip S. Gutierrez presiding.

9. As co-lead counsel for Plaintiff Martinez and the proposed Settlement Class, I have been intimately involved in every aspect of this case from its inception through the present, and I believe that the proposed Settlement is a favorable result for the Settlement Class Members under the circumstances presented.

1 10. Southland Energy Systems (“SES”) is a self-described for-profit corporation that
2 provides energy efficiency services throughout southern California. On February 19, 2021, Plaintiff
3 filed the instant putative class action complaint. On February 19, 2021, Plaintiff submitted a letter to
4 the California Labor & Workforce Development Agency (“LWDA”) and SES of his intention of filing
5 a PAGA claim based on the labor code violations as alleged in his complaint. A true and correct copy
6 of the PAGA letter is attached hereto as **Exhibit 1**.

7 On May 21, 2021, after exhausting his administrative remedies, Plaintiff filed a First Amended
8 Class and Representative Action Complaint adding a cause of action for civil penalties under the
9 PAGA. Plaintiff’s primary claims are that SES: (1) failed to pay all minimum wages owed; (2) failed
10 to pay all overtime wages owed; (3) failed to provide all legally required meal periods; (4) failed to
11 authorize and permit all legally required rest periods; (5) failed to provide accurate, itemized wage
12 statements; (6) engaged in unlawful business practices; and (7) is liable for civil penalties under the
13 Labor Code Private Attorneys General Act of 2004 (“PAGA”).

14 11. Prior to mediation, the Parties propounded formal written discovery. Specifically,
15 Plaintiff propounded Special Interrogatories, Requests for Production of Documents, Form
16 Interrogatories – Employment Law and General. Throughout formal discovery, SES produced over
17 20,000 pages of documents, including without limitation policies and procedures. Plaintiff also took
18 the deposition of Defendant’s Person Most Qualified. Additionally, SES produced a 20% sampling
19 timekeeping and payroll data for the putative class (specifically 20% of the piece-rate employees and
20 20% of the hourly employees), as well as its wage and hour policies and other relevant documents and
21 information relevant to the claims alleged.

22 Here, the statistical analysis of the time punch and payroll data was used for the limited purpose
23 of determining the predominance of rounding and meal period violations in support of Plaintiff’s claims
24 that SES maintained policies and practices during the relevant time period of not paying its non-exempt
25 employees for all time worked and not providing all legally compliant meal and rest periods. Indeed,
26 based on the time punch data produced which included actual time punches and arguable rounded paid
27 hours, Plaintiff was able to conduct a rounding analysis and conclude that SES’s piece-rate practice was
28 widespread during the entire relevant time period. The Settlement Class members were paid under the

1 same wage and hour policies and procedures. Further, if all Settlement Class members brought lawsuits
2 for unpaid wages and/or meal period violations, they would rely on timekeeping records similar to the
3 ones in this sampling which also supports a finding that the sampling is statistically reliable.

4 In addition to the representative sampling, SEs produced key data points and all relevant written
5 wage and hour policies in effect during the relevant time periods. Specifically, Plaintiff was provided
6 with the following:

- 7 • Plaintiff's personnel files and timekeeping and payroll documents;
- 8 • Key data points, including total number of employees, workweeks, and pay periods
9 during the relevant time period;
- 10 • Exemplars of the wage statements provided during the relevant time period.

11 This information coupled with the representative data sampling, enabled Plaintiff to extrapolate
12 to the entire class and aided in Plaintiff's creation of a class-wide exposure model for all the claims at
13 issue, including unpaid wages and penalties potentially owed for alleged minimum and overtime wages,
14 and meal and rest and unpaid wages violations. Ultimately, this discovery allowed the parties to assess
15 the merits and value of Plaintiff's claims and SES's defenses thereto.

16 12. On January 18, 2024, a mediation was held with Hon. Russell Bostrom, Ret., a well-
17 respected wage and hour class action mediator. During mediation, the parties vigorously debated their
18 opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the
19 claims and defenses. Ultimately, the Parties agreed on a class-wide resolution. In the weeks that
20 followed, the parties finalized the terms of settlement and executed the class Action and PAGA
21 Settlement Agreement and Class Notice ("Settlement"). A true and correct copy of the Settlement is
22 attached hereto as **Exhibit 2**. The proposed Class Notice is attached as Exhibit A to the Settlement. A
23 true and correct copy of a redlined comparison of the LASC's model agreement with the Settlement in
24 this matter is attached hereto as **Exhibit 3**.

25 13. The monetary terms of the Settlement are summarized below:

26 **Gross Settlement Amount ("GSA"):**

27 Minus Court-approved attorneys' fees (update to 1/3 of GSA):

1	Minus Court-approved, verified costs (up to [REDACTED])	[REDACTED]
2	Minus Court-approved Class Representative Service Award:	[REDACTED]
3	Minus Settlement Administration Costs:	[REDACTED]
4	Minus PAGA payment to the LWDA:	\$60,000.00
5	Total:	[REDACTED]
6	Employer Side Taxes	[REDACTED]
7	NSA:	[REDACTED]
8		
9	Settlement Class Members	101
10	Average Individual Payment: NSA/Settlement Class	[REDACTED]

11 SES [REDACTED] the Settlement
12 is submitted to the Court as part of the Motion for Preliminary Approval or [REDACTED]
13 [REDACTED]

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 After deducting amounts for the Court-approved attorneys' fees and verified costs, Service
18 Award to Plaintiff, Settlement Administrator costs, and the PAGA payment to the LWDA, and employer
19 side taxes, the Settlement results in a Net Settlement Amount ("NSA") of at least [REDACTED] to be
20 paid out to all Settlement Class Members who do not timely opt out.

21 14. According to SES, there were approximately 101 total Class Members as of the date of
22 mediation defined as: All individuals whom Defendant Southland Energy Systems classified as
23 nonexempt employees and who worked for Defendant in California at any time during the Class Period.
24 Class Period means the period of time starting February 19, 2017 and ending on June 3, 2024. The
25 average Individual Class Payment is [REDACTED] This calculation also assumes that all 101 putative class
26 members participate in the settlement and do not submit timely requests for exclusions and Defendant's
27 employer side payroll taxes owed on the Wage portions of the individual class payments.
28

1 Additionally, there are approximately 88 Aggrieved Employees. Aggrieved Employee is
2 defined as “all individuals whom Defendant Southland Energy Systems classified as nonexempt
3 employees and who worked for Defendant in California at any time during the PAGA Period.” PAGA
4 Period means the period of time starting February 19, 2020 and ending on June 3, 2024. The average
5 Individual PAGA Payment is projected to be approximately **\$227.27**.

6 15. Class Members’ claims arise from SES’s common, uniform policies and practices that
7 applied to Settlement Class Members during the class period. Specifically, Plaintiff alleged that SES’s
8 common and uniform policies and practices resulted in the following violations: (1) failure to pay all
9 minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide all legally
10 required meal periods; (4) failure to authorize and permit all legally required rest periods; (5) failure
11 to provide accurate, itemized wage statements; (6) engagement in unlawful business practices; and (7)
12 liability for civil penalties under the PAGA. As a result of the common and uniform policies and
13 practices that applied to all Class Members, their claims involve common questions of law and fact as
14 to whether in fact SES committed these alleged violations.

15 16. As described in the accompanying Motion for Preliminary Approval, Plaintiff alleges
16 that up until August 1, 2022, SES paid its piece-rate employees by way of piece-rate basis only, in
17 which they were paid per service provided and not by the hour. Accordingly, the piece-rate employees
18 are owed rest period premium wages per Labor Code section 226.7 for each workday in which they
19 worked more than 3.5 hours, given SES’s failure to offer paid rest breaks and the failure to compensate
20 these employees separately for these rest periods when taken. Moreover, Plaintiff alleges that SES
21 failed to compensate for tasks unrelated to units installed, including without limitation, hours spent
22 cleaning and maintain tools, performing administrative tasks, waiting for customers, traveling between
23 job sites. Based on 1 hour of non-productive time per shift and 5 unpaid rest periods, Plaintiff estimates
24 SES exposure at [REDACTED] workweeks with unpaid rest periods x 5 shifts over 3.5 hours/week
25 x [REDACTED] average hourly rate = [REDACTED] + (8,446 workweeks of piece-rate compensation x 5 hours
26 NPT/week x \$13.38 average minimum wage = [REDACTED]).

1 17. SES contends that it compensated Settlement Class Members for all of their time
2 worked, including alleged “non-productive” time. SES also contends that any unpaid time was *de*
3 *minimis* and therefore non-compensable. SES further asserts that Plaintiffs would be unable to certify
4 this class given the individualized inquiries that would be required to assess time spent on “non-
5 productive” activities. In light of these defenses, Plaintiffs discounted the maximum exposure by 30%
6 for the risk of non-certification, and an additional 40% to account for SES’s defenses on the merits, to
7 arrive at an estimated exposure of approximately [REDACTED]

8 18. Plaintiff alleges that SES failed to pay all its employees for all hours worked as a result
9 of its timekeeping practices. Specifically, Plaintiff alleges that SES failed to compensate its piece-rate
10 employees from August 1, 2022 through the end of the relevant time period for traveling to work sites.
11 Plaintiff estimates an underpayment of approximately 1 hour per shift. Additionally, based on the data
12 provided in connection with mediation, SES recorded its employees’ hours, but arguably the employees
13 did not have the actual start and stop times recorded and/or paid for. Plaintiff estimates approximately
14 5 minutes of unpaid time due to SES’s rounding practices. Plaintiff also contends that SES failed to
15 properly calculate the regular rate of overtime because it failed to included any earned bonuses.
16 Accordingly, Plaintiff estimates SES’s exposure at approximately [REDACTED] ([REDACTED] workweeks x 5
17 hours per workweek x \$13.38 average minimum wages = [REDACTED] + [REDACTED] workweeks for hourly
18 employees x .42 hours per workweek [REDACTED] average hourly rate = [REDACTED]).

19 19. SES contends that it compensated Class Members for all of their time worked. SES
20 also contends that any purported unpaid time was *de minimis* and therefore non-compensable. SES
21 also contends that any bonuses paid were discretionary and therefore, did not need to be included in
22 any regular rate of pay for overtime purposes. SES further asserts that Plaintiff would be unable to
23 certify a rounding class given the individualized inquiries that would be required, and also that SES’s
24 rounding policy/mechanism was, according to it, neutral on its face and in its application. In light of
25 these defenses, Plaintiff discounted the maximum exposure by 20% for the risk of non-certification,
26 and an additional 25% to account for SES’s defenses on the merits, to arrive at an estimated exposure
27 of [REDACTED]
28

20. Plaintiff alleges that as a result of the work demands imposed by SES and the timekeeping policies, the Settlement Class Members were not provided a full uninterrupted 30-minute meal period before the end of the fifth hour of work. Based on a review of the timekeeping data, and the opinion formed that SES did not maintain accurate records of the start and stop time of meal periods up until August 2022, Plaintiff calculated SES's maximum exposure for the alleged meal period violations at approximately [REDACTED] ([REDACTED] workweeks for piece-rate employees x 5 shifts/week x [REDACTED] average hourly rate = [REDACTED] + ([REDACTED] workweeks for hourly employees x 5 shifts/week x [REDACTED]).

21. SES counters that it has always maintained a lawful meal period policy and provided non-exempt employees with an opportunity to take legally compliant meal periods, and any non-compliant meal periods reflected in employee timekeeping records were solely the result of employee choice, rather than any policy or practice of SES. Further, SES points out that it is only required to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken, and that they have always done so. Finally, SES contends Plaintiff's meal period claim is not suited for class certification, since individual inquiries would be required to assess which employees took non-compliant meal periods, how many meal periods were non-compliant or missed, and the reasons why a particular employee took a non-compliant meal period or missed a meal period during a particular shift. Accordingly, Plaintiff discounted the maximum exposure by 25% for the risk of non-certification, and an additional 25% to account for SES's defenses on the merits to arrive at an estimated exposure of [REDACTED]

22. Plaintiff alleges that as a result of the work demands imposed by SES, non-exempt employees were not authorized and permitted to take duty-free net 10-minute rest periods. Specifically, Plaintiff alleges that piece-rate employees experienced at least one rest period violation on every shift in excess of 3.5 hours after August 2022 given the work demands. Moreover, it is alleged that the hourly employees were also not authorized and permitted to take rest periods given the heavy work duties imposed by SES. Thus, Plaintiff alleges the Class Members experienced at least one rest period violation on every shift worked in excess of 3.5 hours. Therefore, Plaintiff calculated SES's maximum

exposure for the alleged rest period violations at approximately [REDACTED] (([REDACTED] workweeks post August 2022 x 5 shifts over 3.5 hours/week x [REDACTED] average hourly rate for piece-rate employees = [REDACTED] + ([REDACTED] workweeks for hourly employees x 5 shifts over 3.5 hours/week x [REDACTED] average hourly rate = [REDACTED])

23. SES contends that its policies and procedures authorized and permitted Settlement Class Members to take all off-duty rest periods in compliance with California law. SES also argues that Plaintiff's rest period claim is inherently unsuited for class treatment as it requires an individualized inquiry into whether each Settlement Class Member was in fact authorized and permitted to take a compliant rest period, which would evolve into an unmanageable series of mini-trials. Accordingly, Plaintiff discounted the maximum exposure by 20% for the risk of non-certification, and an additional 25% to account for SES's defenses on the merits to arrive at an estimated exposure of [REDACTED]

24. Plaintiff further alleges that SES issued inaccurate wage statements in violation of Labor Code section 226 as a result of the alleged unpaid minimum wages and overtime wages, and meal and rest period premium wages described above. Plaintiff also contends that this conduct violated Labor Code section 226(a) because the wage statements issued to Settlement Class Members did not include all hours worked and the rate at which they were being paid. Plaintiff calculated SES's maximum exposure for wage statement violations at approximately [REDACTED] (\$50.00 x 57 current employees + \$100 x [REDACTED] subsequent wage statements).

25. SES argues that its alleged wage statement violations could not be shown to be "knowing and intentional," and that Plaintiff cannot show that he or any other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Lab. Code § 226(e) for imposition of penalties. As such, Plaintiff discounted the calculated exposure by 15% for a risk of non-certification and an additional 15% for a risk of being unsuccessful on the merits, to arrive at an estimated total of [REDACTED]

26. Plaintiff also seeks civil penalties under the PAGA as a result of the foregoing alleged Labor Code violations. Plaintiff calculated SES's maximum exposure at \$629,400 (6,294 pay periods x \$100 initial violation rate).

1 27. SES argues that Plaintiff's PAGA claim will fail for the same reasons that his
2 underlying claims will fail. SES also maintains that, given its good faith defenses, this Court would
3 exercise its discretion to substantially reduce any PAGA penalties if it were to find SES liable for any
4 of Plaintiff's claims. Therefore, Plaintiff discounted the maximum exposure figure by 25% for a risk
5 of being unsuccessful on the merits, and an additional 20% to account for the possibility of this Court
6 reducing penalties, to arrive at an estimated exposure of \$377,640.00.

7 28. Using these estimated figures for each of the claims described above, Plaintiff predicted
8 the realistic total recovery for the Settlement Class would be approximately [REDACTED]. The
9 proposed settlement of [REDACTED] therefore represents approximately 40% of the reasonably
10 forecasted recovery for the Settlement Class.

11 29. Here, Class Counsel will also apply for an attorneys' fees award of one-third of the
12 GSA, which is currently estimated to be [REDACTED] in verified costs
13 reimbursement. Class Counsel has incurred substantial attorney fees conducting pre-filing
14 investigation, analyzing Plaintiff's claims, conducting legal research, propounding formal written
15 discovery, taking the deposition of SES's Person Most Qualified, analyzing timekeeping data and
16 payroll records, preparing for and attending mediation, negotiating and revising the long-form
17 Settlement, preparing this Motion, and otherwise litigating the case. Class Counsel expect to expend
18 additional attorney time in attending the hearing on this Motion, overseeing the Notice process and
19 fielding questions from Settlement Class Members, preparing the final approval papers and attending
20 the Final Approval hearing.

21 30. Plaintiff has provided written approval of the split of attorneys' fees in this action.

22 31. Plaintiff will seek a service payment of [REDACTED] at the time of seeking final approval,
23 and I believe this is reasonable given Plaintiff's efforts in this case and the risks he undertook on behalf
24 of the Settlement Class members, including the risk that he could be liable for SES's costs if this case
25 was unsuccessful. Plaintiff was integral in the prosecution of this action, by, among other things,
26 providing substantial factual information and documents to Class Counsel, attending multiple meetings
27
28

1 with Class Counsel to discuss the claims and theories at issue in the litigation, and otherwise actively
2 participating in the prosecution of their claims.

3 32. Although the parties engaged in informal discovery throughout this action, the parties
4 still had significant discovery to complete in formal litigation had the matter not settled. Moreover,
5 Plaintiff still had to file for class certification, and faced the prospect of appeals in the wake of a
6 disputed class certification ruling for Plaintiff and/or an adverse summary judgment ruling. This is
7 especially true in light of SES's contention that it is facing financial hardship. Even if the classes were
8 certified, the parties would incur considerably more attorneys' fees and costs through a possible
9 decertification motion, trial, and possible appeal.

10 33. I do not have any conflicts of interest with the class. I have also made reasonable inquiry
11 of other members of my firm and my co-counsel's firm, Haines Law Group, APC, and no one have any
12 conflicts of interest with the class.

13 34. There do not appear to be conflicts of interest between Plaintiff and the Settlement Class
14 he seems to represent.

15 35. Plaintiff will serve the Motion for Preliminary Approval and proposed Settlement
16 Agreement on the LWDA on the same date he files his Motion for Preliminary Approval.

17 36. Defendant and its counsel also confirmed that they are not aware of any other pending
18 lawsuits asserting claims against Defendant that may be adversely affected by this settlement. My firm
19 and co-counsel's firm are not aware of any pending matters either.

20 I declare under penalty of perjury under the laws of the State of California that the foregoing is
21 true and correct. Executed on October 8, 2024 at El Segundo, California.

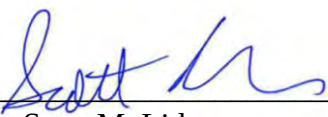
22
23 
24 Scott M. Lidman

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW
2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245
OFFICE: (424) 322-4772
FAX: (424) 322-4775

February 19, 2021

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

VIA U.S. CERTIFIED MAIL – RETURN

RECEIPT REQUESTED

Southland Energy Systems
c/o Alex Sotomayor, Agent for Service of Process
5729 Union Pacific Avenue
Commerce, CA 90022

**VIA U.S. CERTIFIED MAIL –
RETURN RECEIPT REQUESTED**

Southland Energy Systems
5729 Union Pacific Avenue
Commerce, CA 90022

Re: *Jose Martinez v. Southland Energy Systems*

To Whom It May Concern:

Please be advised that this law firm represents Jose Martinez in claims arising from his employment with Southland Energy Systems, a California corporation (“Defendant”). Mr. Martinez is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, if the LWDA decides not to investigate, Mr. Martinez intends to pursue a lawsuit on behalf of other “aggrieved employees”, which should be considered to include all current and former hourly employees in California who were paid, at least in part, on a piece-rate basis and who worked, at least in part, during the one year immediately preceding the date of this letter through the date of trial, the date judgment is entered, the date of settlement and/or other date approved by the Court.

Mr. Martinez, a current employee, has been employed by Defendant as an installer since approximately 1984 through the present. However, Mr. Martinez has been on a medical leave of absence since approximately January 28, 2021. At all relevant times during his employment, Mr. Martinez worked as a non-exempt installer who was paid on a piece-rate basis. Mr. Martinez performed various duties throughout his employment including, without limitation, installing various items in Defendant’s customers’ homes, driving to and from assigned work sites at various locations of Defendant’s customers throughout Southern California, and completing paperwork

Throughout his employment with Defendant, Mr. Martinez was paid on a piece-rate basis, whereby he was paid a certain rate per certain work units performed. For example, Mr. Martinez was

paid \$35.00 when a customer opened their door, \$14.00 for every door he installed, \$6.00 for every lock he installed, and \$10.00 for inspecting a water heater. However, Mr. Martinez is informed and believes, and based thereon alleges, that he was never separately compensated for time spent working on tasks which were not compensated on a piece-rate basis, including hours spent cleaning and maintaining tools, performing administrative tasks, waiting for customers, or travelling from jobsite to jobsite (e.g., non-productive time). *See e.g. Gonzalez v. Downtown LA Motors, LP* (2013) 215 Cal.App.4th 36, 40-41 (“DTLA”) (“...we conclude that class members [paid on a piece-rate] were entitled to separate hourly compensation for time spent waiting for repair work or performing other non-repair tasks directed by the employer....”). As a result, Mr. Martinez was not paid all minimum wages owed for all hours worked for workweeks where he was paid on a piece-rate basis. Further, when Mr. Martinez worked in excess of 8 hours in a day or 40 hours in a week, the failure by Defendant to compensate Mr. Martinez for all his work time due to their unlawful piece rate compensation practices, Plaintiff was also deprived of all overtimes wages owed.

During his employment with Defendant, Mr. Martinez was instructed by Defendant to track his time worked by using handwritten “Job Site Time Record” forms that included information related to the task performed, time in, and time out, among other information. However, Mr. Martinez was directed not to record all time actually worked. Instead, Mr. Martinez was directed to record the time he arrived at the client’s house, which failed to compensate him for all hours actually worked before arriving at the client’s house. By way of example, Mr. Martinez would often be required and directed to perform additional duties before arriving at the arrival at the first client’s house, including, without limitation, preparing the vehicle with the necessary materials and supplies for the stops or job assignments for the day, and/or traveling to the La Puente facility to retrieve necessary paperwork. In addition, Mr. Martinez was not compensated for all time worked after departing the client’s house or last worksite for the day because Mr. Martinez was directed to record the time he left the last house and/or worksite, not the time he actually stopped working as he would be required to drive back to the shop, and perform other job duties.

As a result, Mr. Martinez was not paid for compensable travel time to and from the assigned work site because Defendant maintained a uniform policy or practice of instructing Mr. Martinez and other non-exempt employees to record the time that they arrived at the client’s house and the time they left the client’s house, but not the actual time the employee started working and stopped working. This uniform policy or practice by Defendant resulted in Defendant not properly tracking the time worked by Mr. Martinez, and also resulted in Defendant not paying Mr. Martinez for all wages owed for the work he performed, including failing to pay him all required minimum and overtime wages.

Throughout his employment with Defendant, Mr. Martinez and other non-exempt employees routinely worked in excess of 8 hours per workday and/or 40 hours per workweek, but did not receive overtime compensation equal to one and one-half times their respective regular rates of pay for all overtime hours worked. Specifically, throughout the relevant time period, Defendant paid Mr. Martinez and other non-exempt employees non-discretionary bonuses and/or incentive pay, including a bonus of \$2,500 if the employee serviced 50 homes in one month, as well as other forms of payments that cannot be excluded from the regular rate of pay as a matter of law (collectively “Incentive Pay”). Despite Mr. Martinez and similarly situated employees earning Incentive Pay and working overtime hours during the corresponding pay period, Defendant failed to correctly calculate Mr. Martinez and similarly situated employees’ regular rates of pay for overtime purposes. As a result, Mr. Martinez and similarly situated employees were underpaid all of their earned overtime and, as applicable, double-time wages.

Throughout his employment with Defendant, Mr. Martinez was not provided all required meal periods due to Defendant's meal period policies/practices which fail to provide uninterrupted, duty-free and timely 30-minute meal periods when employees work in excess of 5.0 hours in a day. Specifically, due to his job duties which often required traveling between job locations, and the work demands imposed by Defendant, Mr. Martinez was often prevented from taking meal periods that commenced before the end of the 5th hour of work and/or which were at least 30 minutes in length. This policy and practice of Defendant not providing lawful meal periods to Mr. Martinez and/or requiring him and other non-exempt employees to take a meal period after the end of the fifth hour of work violates California law.

Although Mr. Martinez was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Martinez with the required meal period premium for each workday in which he experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of meal period premium payments under Labor Code § 226.7 in the event that a legally compliant meal period was not provided to Mr. Martinez and its other non-exempt employees.

Mr. Martinez was also not authorized and permitted to take all legally required rest periods due to Defendant's unlawful rest period policies and practices. Specifically, due to heavy work demands, Mr. Martinez was not authorized to take required rest periods. Moreover, Mr. Martinez worked shifts in excess of 3.5 hours, and was never provided with a paid rest period for every 4-hour period worked, or *major fraction thereof*, because Defendant's piece-rate compensation plan failed to separately compensate Mr. Martinez for required rest periods. See *Bluford v. Safeway Inc.*, 216 Cal. App. 4th 864 (2013) ("There is no dispute that Safeway's activity-based compensation system did not separately compensate drivers for their rest periods."). As a result, Mr. Martinez was not paid at least the minimum wage for all hours worked as well as all compensation owed pursuant to Labor Code section 226.2, and was deprived of all rest period premium payments.

On those occasions when Mr. Martinez was not authorized and permitted to take all legally-compliant paid rest periods to which he was entitled, Defendant failed to compensate Mr. Martinez with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7. Further, upon information and belief during at least a portion of the class period, Defendant maintained no payroll code or other mechanism for the payment of rest period premium payments under Labor Code § 226.7 in the event that a legally compliant rest period was not provided to its non-exempt employees.

As a result of Defendant's failure to pay all minimum and overtime wages, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Martinez.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 16 ("Wage Order 16"):

Minimum Wage Violations

Defendant was required to pay Mr. Martinez and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. See Labor Code §§ 1194; 1194.2,

1197; The Wage Order 16, § 4. Mr. Martinez and other aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and piece-rate compensation practices. As alleged above, Defendant caused Mr. Martinez and other aggrieved employees to work hours in a workweek but did not properly compensate Mr. Martinez and other aggrieved employees at least minimum wages for all such hours, due to Defendant's unlawful timekeeping practices and piece-rate compensation plans. This practice by Defendant resulted in Defendant not paying Mr. Martinez for all wages owed for the work he performed, including failing to pay him all required minimum wages.

Overtime Violations

Defendant was required to pay Mr. Martinez and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. See Labor Code §§ 1194(a) and 1198; the Wage Order 16, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, Defendant had a policy/practice of not recording all of Mr. Martinez's work time such that he was not fully paid for all time worked and Defendant paid Mr. Martinez on a piece-rate basis. As detailed above, for at least a portion of the time period relevant to his claims, Mr. Martinez received non-discretionary bonuses, and/or other forms of pay not excludable as a matter of law when calculating an employee's regular rate (hereinafter the aforementioned forms of pay are collectively referred to as "Incentive Pay"). Despite Defendant's payment of Incentive Pay to Mr. Martinez, Defendant failed to include all forms of Incentive Pay when calculating Mr. Martinez's regular rate of pay, thereby causing Mr. Martinez to be underpaid all of his required overtime wages. Rather, Mr. Martinez was only paid one and a half times (or two times in the case of double-time hours) his base hourly rate, which was not equal to his regular rate, as Defendant failed to include the various forms of Incentive Pay earned during corresponding time periods that were required to be included in the regular rate. As a result of these policies/practices, Mr. Martinez and other aggrieved employees were not compensated for all overtime wages on occasions when they worked over eight hours in a workday and/or 40 hours in a workweek.

Meal Period Violations

As alleged above, Defendant failed to provide Mr. Martinez and other aggrieved employees with all required and compliant meal periods. See Labor Code §§ 226.7 and 512; Wage Order 16, § 11. As described above, as a result of the Defendant's failure to accurately record its employees time worked and the work demands imposed by Defendant, Defendant provided late, short, or otherwise unlawful meal periods to Mr. Martinez and its non-exempt employees. As a result, Mr. Martinez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. See Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although Mr. Martinez was not provided with all legally-compliant meal periods to which he was entitled, Defendant failed to compensate Mr. Martinez and other aggrieved employees

with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit Mr. Martinez and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 16, § 12. Specifically, Mr. Martinez worked shifts in excess of 3.5 hours, but was never provided with a paid rest period for every 4-hour period worked, or *major fraction thereof* because of Defendant's piece-rate compensation plan. As a result, Mr. Martinez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish Mr. Martinez and other aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal and rest period premium wages, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish Mr. Martinez and other aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, meal and rest period premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

As an "aggrieved employee," Mr. Martinez will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Martinez's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Martinez and other aggrieved employees all overtime compensation earned;
- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Martinez and other aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Martinez and other aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Martinez and other aggrieved employees;

- e) Defendant violated Labor Code § 226 by failing to furnish Mr. Martinez and other aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code § 204 by failing to pay Mr. Martinez and other aggrieved employees all earned wages at least twice during each calendar month; and
- g) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Martinez and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC



Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff JOSE MARTINEZ (“Plaintiff”) and defendant SOUTHLAND ENERGY SYSTEMS (“SES”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against SES captioned JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS, CASE NO. 21STCV0691 initiated on February 19, 2021 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means all individuals whom Defendant Southland Energy Systems classified as nonexempt employees and who worked for Defendant in California at any time during the PAGA Period.
- 1.5 “Class” means all individuals whom Defendant Southland Energy Systems classified as nonexempt employees and who worked for Defendant in California at any time during the Class Period.
- 1.6 “Class Counsel” means Scott M. Lidman and Milan Moore of Lidman Law, APC and Paul K. Haines, Hanes Law Group, APC.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-

Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period of time starting February 19, 2017 and ending on June 3, 2024.
- 1.13 “Class Representative” means Jose Martinez the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means named Defendant SOUTHLAND ENERGY SYSTEMS.
- 1.17 “Defense Counsel” means Jeffrey L. Malek and Laura L. Lewis, Malek & Malek.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means [REDACTED] which is the total amount

Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, the Administrator's Expenses, and Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments.

- 1.23 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to monitor Labor Code Compliance, under Labor Code section 2699, subdivision (i).
- 1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and the Defendant's employer-side payroll taxes owed on the Wage Portions of the individual Class Payments. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 "PAGA Period" means the period of time starting February 19, 2020 and ending on June 3, 2024.
- 1.32 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).
- 1.33 "PAGA Notice" means Plaintiff's February 19, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$80,000.00), allocated 25% to the Aggrieved Employees (\$20,000.00) and the 75% to LWDA (\$60,000.00) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means JOSE MARTINEZ, the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Defendant and its respective former, current and future directors, officers, shareholders, owners, subsidiaries, affiliates, managers, member, agents, principals, heirs, representatives (including, without limitation, any investment bankers, accountants, auditors, consultants, attorneys, insurers, predecessors, successors and assigns).
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On February 19, 2021, Plaintiff commenced this Action by filing a Complaint

alleging causes of action against Defendant for (1) Failure to Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 *et seq.*); (6) Unfair Competition (Bus & Prof Code § 17200 *et seq.*). On May 21, 2021, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for (1) Failure to Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 *et seq.*); (6) Unfair Competition (Bus & Prof Code § 17200 *et seq.*) and (7) Civil Penalties Under the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), on February 19, 2021, Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On January 18, 2024, the Parties participated in an all-day mediation presided over by the Hon. Russell Bostrom (Ret.) of Judicate West Alternative Dispute Resolution which led to this Agreement to settle the Action.

2.4 Prior to ☒ mediation ☒ negotiating the Settlement, Plaintiff obtained, through

☒ formal ☒ informal discovery, and took the deposition(s) of the Person Most Knowledgeable responsive to a Notice of Deposition of multiple categories and Plaintiff, through both formal and informal discovery, and obtained prior to mediation Defendant’s timekeeping and payroll data, as well as Defendant’s wage and hour policies and nearly 20,000 pages including Plaintiff’s time records and those of a random sample of anonymized employees’ timekeeping and payroll documents. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.*, (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5 The Court ☐ has ☒ has not granted nor ruled on class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant promises to pay [REDACTED] as the Gross Settlement Amount which will include the payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments payment from the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative [REDACTED] (in addition to any Individual Class Payment [and any Individual PAGA Payment] the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment and for Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments to be paid from the Gross Settlement Amount, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one third (1/3) of the Gross Settlement amount, which is currently estimated to be [REDACTED] and a Class Counsel Litigation Expenses Payment of not more than [REDACTED]. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation

Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed [REDACTED] except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than [REDACTED], the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. [REDACTED] of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portions"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. [REDACTED] of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portions"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$80,000.00 to be paid from the Gross Settlement Amount, with 75% (\$60,000.00) allocated to the LWDA PAGA Payment and 25% (\$20,000.00) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$20,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement

Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates that from February 19, 2017 through February 22, 2024, there are 101 Class Members who collectively worked a total of [REDACTED] Workweeks, and 88 Aggrieved Employees who worked a total 6,706 PAGA Pay Periods.
- 4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Parties stipulate that for purposes of the determining best estimates of Class Workweeks and Aggrieved Employee PAGA pay periods pursuant to 4.1 herein that prior to the time of filing the Motion for Preliminary Hearing the Defendant may submit to the agreed neutral Administrator, PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, the Class Data for calculation of Class Workweeks and Aggrieved Employees PAGA Pay Periods without any inference of conflict of interest. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3 Funding of Gross Settlement Amount. SES [REDACTED]
[REDACTED] Settlement is submitted to the Court as part of the Motion for Preliminary Approval or [REDACTED]
[REDACTED]
[REDACTED] The Parties agree that the total Gross Settlement Amount includes the amount necessary to fully pay Defendant's employer side payroll taxes owed on the Wages Portions of the Individual Class Payments. Defendant shall make the payment set forth above by transmitting the funds to the Administrator pursuant to the time periods set forth above.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the

Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment, and Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, and payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant funds the Gross

Settlement Amount pursuant to the payment plan set forth above which Gross Settlement Amount includes all employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 5.2, below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Notwithstanding the foregoing, the waiver and release in this Agreement does not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims; (ii) rights or claims arising out of this Agreement after this Agreement is executed by Plaintiff; and (iii) rights or claims arising of this Agreement. The Agreement in no way affects Plaintiff's entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation. Plaintiff also agrees to not request an exclusion from this settlement. Any Class Representative Service Payment approved by the Court will result in the issuance of a Form 1099 to the Class Representative, who shall assume full responsibility and liability for the payment of taxes due on such award.

5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have

been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action[including any and all claims involving any alleged (1) Failure to Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 *et seq.*); (6) Unfair Competition (Bus & Prof Code § 17200 *et seq.*) and (7) Civil Penalties Under the Labor Code Private Attorneys General Action of 2004 (Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*) Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

5.3 Release by Non Participating Class Members Who Are Aggrieved Employees:

All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, and ascertained in the course of the Action, and which occurred during the PAGA Period. The claims under the PAGA being released include, without limitation: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof; and (5) failure to provide accurate, itemized wage statements, and any and all related claims for attorneys' fees and costs.

6. MOTION FOR PRELIMINARY APPROVAL The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Defendant's Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel signed Declarations from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft

proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, § 2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2)); (vii) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiff and Class Counsel Declarations shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiff shall provide drafts of these documents to Defense Counsel not later than 14 days prior to filing the Motion for Preliminary approval. Class Counsel and Defense Counsel will expeditiously meet and confer either by email or telephone to resolve any disagreements concerning the Motion for Preliminary Approval.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by email or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by email by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS to serve as the Administrator and verified that, as a condition of appointment, it agrees to be bound by this Agreement and to

perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data following granting the Motion for Preliminary Approval, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person by email or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim

preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested from the Gross Settlement Amount for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment, and payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments from the Gross Settlement Amount.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval

Hearing, the unredacted Settlement Agreement, unredacted Motion for Preliminary Approval, the unredacted Preliminary Approval Order, the unredacted Class Notice, the unredacted Motion for Final Approval which shall include the request for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment and request for payment amount of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments from the Gross Settlement Amount, the unredacted Final Approval Order and unredacted Final Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than 7 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the

Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 10 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES.** Based on a review of its records, Defendant estimates that from February 19, 2017 through February 22, 2024, there are 101 Class Members who collectively worked a total of [REDACTED] Workweeks, and 88 Aggrieved Employees who worked a total 6,706 PAGA Pay Periods.

9. **SES'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 30% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than 21 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work

together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly

disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 Confidentiality. On April 4, 2024, the Parties participated in a conference with the Court, Judge Stuart Rice presiding, during which confidentiality of this settlement was discussed. On April 26, 2024, the Court issued an Order approving a Stipulation between the Parties to publicly file the redacted Settlement, Motion for Preliminary Approval, Preliminary Approval Order, Motion for Final Approval and Final Order and Judgment [REDACTED], with the unredacted versions filed under seal. In accordance therewith, the Parties agree that prior to the filing of the Motion for Preliminary Approval of Settlement, the Parties and their counsel will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, Defense Counsel, separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members, or Class Counsel and Defense Counsel communications with the Class Administrator to facilitate Class Data calculations for Class Members Work Weeks and Aggrieved Employees PAGA Pay Periods. Furthermore, the Parties, Class Counsel and Defense Counsel agree that, [REDACTED]

[REDACTED], the Motion for Preliminary Approval (including all supporting pleadings and documents), the Preliminary Approval Order, the Motion for Final Approval (including all supporting pleadings and

documents), and the Final Order and Judgment will file the redacted documents publicly and the unredacted documents under seal.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will

be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or two days after the day sent by email or messenger, addressed as follows:

To Plaintiff:

Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Lidman Law, APC
2155 Campus Drive, Suite 150
El Segundo, CA 90245
Telephone: (424) 322-4772

Paul K. Haines

Haines Law Group, APC
2155 Campus Drive, Suite 180
El Segundo, CA 90245
Telephone: (424) 292-2350
Facsimile: (424) 292-2355

Facsimile: (424) 322-4775

Email: phaines@haineslawgroup.com

Email: slidman@lidmanlaw.com

mmoore@lidmanlaw.com

tgose@lidmanlaw.com

To Defendant:

Jeffrey L. Malek

Laura L. Lewis

Malek & Malek

23332 Hawthorne Blvd., Suite 305

Torrance, CA 90505

Telephone: (310) 540-5100

Facsimile: (310) 371-7242

Email: cwhite@maleklaw.com; jmalek@maleklaw.com; llewis@maleklaw.com

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

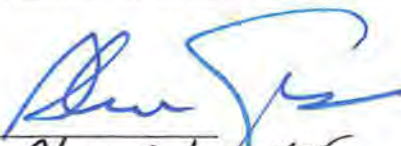
DATE: Aug 28, 2024

JOSE MARTINEZ

BY: 
BY: Jose R. Martinez (Aug 28, 2024 12:35 PDT)
Jose Martinez

DATE: 9/5/2024

SOUTHLAND ENERGY SYSTEMS

BY: 
Name: Alex Sotomayor
Title: Director

APPROVED AS TO FORM

DATE: August 28, 2024

LIDMAN LAW, APC

BY: 

Scott M. Lidman

Milan Moore

Tiara Gose-Hardy

Counsel for Plaintiff, JOSE MARTINEZ

DATE: August 28, 2024

HAINES LAW GROUP, APC

BY: 

Paul K. Haines

Counsel for Plaintiff, JOSE MARTINEZ

DATE: September 9, 2024

MALEK & MALEK

By: 

Jeffrey L. Malek

Laura L. Lewis

Counsel for Defendant,

SOUTHLAND ENERGY SYSTEMS

EXHIBIT A

EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Jose Martinez v. Southland Energy Systems, Los Angeles County Superior Court Case No.
21STCV0691

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant SOUTHLAND ENERGY SYSTEMS (“SES or “Defendant”) for alleged wage and hour violations. The Action was filed by JOSE MARTINEZ (“Plaintiff”) an individual classified by SES as a non-exempt employee. Plaintiff seeks damages and penalties based on allegations of: (1) unpaid minimum wages, (2) unpaid overtime wages, (3) missed meal and rest periods and unpaid premiums related thereto, and (3) inaccurate wage statements. Plaintiff also seeks civil penalties under the Private Attorney General Act (“PAGA”) and restitution under California Business and Professions Code section 17200. Plaintiff seeks these remedies on behalf of a class of individuals classified as non-exempt employees (“Class Members”) who worked for SES during the Class Period February 19, 2017 through June 3, 2024; and also seeks civil penalties under the PAGA for all individuals classified as non-exempt employees (“Aggrieved Employees”) who worked for SES during the PAGA Period (February 19, 2020 through June 3, 2024).

The proposed Settlement has two main parts: (1) a Class Settlement requiring SES to fund Individual Class Payments, and (2) a PAGA Settlement requiring SES to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on SES’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to SES’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.

The above estimates are based on SES’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires SES to make payments under the Settlement and requires Class Members and

Aggrieved Employees to give up their rights to assert certain claims against SES.

If you worked for SES during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against SES.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against SES, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

SES will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against SES that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. SES must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or
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	Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to SES's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is an individual who works for SES and was and is classified as a non-exempt employee by SES. The Action accuses SES of violating California labor laws by failing to pay overtime wages, minimum wages, failing to provide meal periods and rest breaks, and failing to provide accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC, and Paul Haines of Haines Law Group, APC ("Class Counsel.")

SES strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether SES or Plaintiff is correct on the merits. In the meantime, Plaintiff and SES hired a retired judge (Hon. Russell Bostrom) in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and SES have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, SES does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) SES has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation;

and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. SES Will Pay [REDACTED] as the Gross Settlement Amount (Gross Settlement). [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"), and all employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to [REDACTED] (1/3rd of the Gross Settlement) to Class Counsel for attorneys' fees and up to [REDACTED] for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to [REDACTED] as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to [REDACTED] to the Administrator for services administering the Settlement.
 - D. Up to \$80,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$60,000.00) and 25% (\$20,000) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.
 - E. Employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments estimated at a maximum rate of [REDACTED] at approximately [REDACTED]

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in

amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and SES are asking the Court to approve an allocation of ■■■ of each Individual Class Payment to taxable wages (“Wage Portions”) and ■■■ to interest and penalties (“Non-Wage Portions”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. SES’s employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments will be paid from the Gross Settlement Amount. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and SES have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check are being sent to the California Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [insert date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [insert date] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against SES.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against SES based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and SES have agreed that, in either case, the Settlement will be void: SES will

not pay any money and Class Members will not release any claims against SES.

8. Administrator. The Court has appointed a neutral company, PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and SES has funded the Gross Settlement pursuant to the agreed payment plan, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against SES or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release SES and its respective former, current and future parent companies, subsidiaries, affiliates, shareholders, managers, members, agents, principals, heirs, representatives (including, without limitation, any investment bankers, accountants, auditors, consultants, insurers, reinsurers, attorneys and past, present or future officers, directors and employees) predecessors, successors, and assigns (“Released Parties”) from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and/or ascertained in the course of the Action and which occurred during the Class Period. The claims alleged include, without limitation: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof, (5) failure to provide accurate, itemized wage statements; and (6) unfair business practices in violation of Business and Professions Code section 17200, et seq. premised on the above claims; and violation of or liability under California Private Attorneys General Act of 2004 (Labor Code §2698 *et seq.*) under the Operative Complaint, and relevant Wage Orders issued by the Industrial Welfare Commission, and any and all related claims for attorneys’ fees and costs. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and

Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, (as that is defined in Paragraph 1.18 above), and SES has funded the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims against SES, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue or participate in any other PAGA claim against SES or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action, including, (a) any and all claims involving any alleged failure to pay overtime wages, (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof; and (5) failure to provide accurate, itemized wage statements, and any and all related claims for attorneys' fees and costs.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$20,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in SES's records, are stated in the first page of this Notice. You have until [insert date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records you may have. The Administrator will accept SES's calculation of Workweeks and/or Pay

Periods based on SES's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and SES's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check, to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by insert date, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and SES are asking the Court to approve. At least 16 Court days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; (ii) the amount Plaintiff is requesting as a Class Representative Service Payment, and (iii) that SES's payroll taxes owed on the Wage Portions of the Individual Class Payments be paid from the Gross Settlement Amount. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you unredacted copies of these documents at no cost to you. You can also view the unredacted documents on the Administrator's Website

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Service Payment, and/or SES's payroll taxes owed on the Wage Portions of the Individual Class Payment from the Gross Settlement Amount may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [insert date].** Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action as JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS and include your name, current address, telephone number and approximate dates of employment for SES and sign the objection. Section 9 of this Notice has the Administrator's contact information. Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [insert date] at [insert time] in Department SSC-1 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Administrator's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website beforehand to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything SES and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement Documents, pleadings, Motions and Orders is to go to the Administrator's website dedicated to this action at _____ (url) .

You can also send an email to the Administrator or Class Counsel using the email information provided (insert Phoenix email) . Pursuant to an Order from the Court, all settlement documents and orders contain confidential information and are being filed with redactions of confidential information. However, the unredacted version can be viewed at the Administrator's website. You are urged but not required to maintain confidentiality of the terms of the Settlement and urged but not required to only share such information with your attorneys, accountants, spouses, taxing authorities and to the extent necessary to respond to a Court order or subpoena, or from an inquiry or subpoena from a state or federal agency. **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

Class Counsel:

Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Lidman Law, APC
2155 Campus Drive, Suite 150
El Segundo, CA 90245
Telephone: (424) 322-4772

Paul K. Haines
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El Segundo, CA 90245
Telephone: (424) 292-2350

Email: phaines@haineslawgroup.com

Email: slidman@lidmanlaw.com
mmoore@lidmanlaw.com

Settlement Administrator: [PHOENIX TO INCLUDE INFO HERE]

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the State Controller's Unclaimed Property Fund for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 3

EXHIBIT 3

~~[MODEL]~~ CLASS ACTION AND PAGA SETTLEMENT- AGREEMENT AND CLASS NOTICE[†]

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff JOSE MARTINEZ (“Plaintiff”) and defendant XYZ

(“XYZ”); SOUTHLAND ENERGY SYSTEMS (“SES”).
The Agreement refers to Plaintiff and XYZ Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1.1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against XYZSES captioned JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS, CASE NO. 21STCV0691 initiated on February 19, 2021 and pending in Superior Court of the State of California, County of Los Angeles.

1.2.1.2 “Administrator” means PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3.1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4.1.4 “Aggrieved Employee” means ~~[e.g., a person employed by XYZ in California and all individuals whom Defendant Southland Energy Systems classified as a nonexempt employees and~~ who worked for XYZ Defendant in California at any time during the PAGA Period~~].~~

1.5.1.5 “Class” means ~~[define class e.g., all persons employed by XYZ in California and~~ all individuals whom Defendant Southland Energy Systems classified as nonexempt employees and who worked for XYZ Defendant in California at any time during the Class Period~~].~~

1.6.1.6 “Class Counsel” means Scott M. Lidman and Milan Moore of Lidman Law, APC and Paul K. Haines, Hanes Law Group, APC.

1.7.1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

~~1.8.1.8~~ “Class Data” means Class Member identifying information in ~~XYZ’s~~Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, ~~;~~ and number of Class Period Workweeks and PAGA Pay Periods.

~~1.9.1.9~~ “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

~~1.10.~~ “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available

~~1.10~~ sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

~~1.11~~ “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be-

~~1.11~~ mailed to Class Members in English [with a Spanish translation, ~~if applicable~~] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

~~1.12~~~~1.12~~ “Class Period” means the period from _____ to _____, [#]of time starting February 19, 2017 and ending on June 3, 2024.

~~1.13~~~~1.13~~ “Class Representative” means Jose Martinez the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

~~1.14~~~~1.14~~ “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

~~1.15~~~~1.15~~ “Court” means the Superior Court of California, County of Los Angeles.

~~1.16~~~~1.16~~ “~~XYZ~~Defendant” means named Defendant SOUTHLAND ENERGY SYSTEMS.

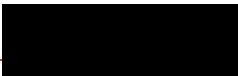
~~1.17~~~~1.17~~ “Defense Counsel” means Jeffrey L. Malek and Laura L. Lewis, Malek & Malek.

~~1.18~~~~1.18~~ “Effective Date” means the date by when both of the following have occurred: (a) (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

~~1.19~~~~1.19~~ “Final Approval” means the Court’s order granting final approval of the Settlement.

~~1.20~~~~1.20~~ “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

~~1.21.~~1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

~~1.22.~~ “Gross Settlement Amount” means \$_____  which is the total amount ~~XYZ~~Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual

~~1.22~~ 1.22 PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment ~~and~~, the Administrator's Expenses, and Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments.

~~1.23~~ 1.23 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

~~1.24~~ 1.24 "Individual PAGA Payment" means ~~the each~~ Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

~~1.25~~ 1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.

~~1.26~~ 1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to monitor Labor Code Compliance, under Labor Code section 2699, ~~subd.~~ subdivision (i).

~~1.27~~ 1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, ~~subd.~~ subdivision (i).

~~1.28~~ 1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, ~~and the~~ Administration Expenses Payment, and the Defendant's employer-side payroll taxes owed on the Wage Portions of the individual Class Payments. The remainder is to be paid to Participating Class Members as Individual Class Payments.

~~1.29~~ 1.29 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

~~1.30~~ 1.30 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for ~~XYZ~~ Defendant for at least one day during the PAGA Period.

~~1.31~~ 1.31 "PAGA Period" means the period ~~from _____ to _____.~~ of time starting February 19, 2020 and ending on June 3, 2024.

~~1.32~~ 1.32 "PAGA" means the Private Attorneys General Act (~~Labor~~ Lab. Code ~~§§, §~~ 2698, et seq.).

~~1.33~~ 1.33 "PAGA Notice" means ~~Plaintiff's~~ February 19, 2021

letter to XYZ Defendant and the LWDA [~~and Plaintiff's letter to XYZ and the LWDA~~] providing notice pursuant to Labor Code section 2699.3, ~~subd.~~ (subdivision (a)).

~~1.34.~~ 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount; ~~(\$80,000.00)~~, allocated 25% to the Aggrieved Employees ~~(\$20,000.00)~~ and the 75% to LWDA ~~(\$60,000.00)~~ in settlement of PAGA claims.
~~() and the 75% to LWDA () in settlement of PAGA claims.~~

~~1.35.~~1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

~~1.36.~~1.36 “Plaintiff” means —JOSE MARTINEZ, the named plaintiff in the Action.

~~1.37.~~1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

~~1.38.~~1.38 “~~“Preliminary Approval Order”~~” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

~~1.39.~~1.39 “Released Class Claims” means the claims being released as described in Paragraph ~~6~~5.2 below.

~~1.40.~~1.40 “Released PAGA Claims” means the claims being released as described in Paragraph ~~6.2~~5.3 below.

~~1.41.~~1.41 “Released Parties” means: ~~XYZ Defendant~~ and ~~each of its~~ respective former, current and ~~present~~future directors, officers, shareholders, owners, ~~[members], subsidiaries, affiliates, managers, member, agents, principals, heirs, representatives (including, without limitation, any investment bankers, accountants, auditors, consultants,~~ attorneys, insurers, predecessors, successors, and assigns- ~~[subsidiaries] [affiliates].~~

~~1.42.~~1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

~~1.43.~~1.43 “~~“Response Deadline”~~” means ~~[e.g., 60]~~ days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his, her, or ~~her~~their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

~~1.44.~~1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

~~1.45.~~1.45 “Workweek” means any week during which a Class Member worked for ~~XYZ~~ Defendant for at least one day, during the Class Period: ~~iv~~ .

2. RECITALS.

~~2.1.~~ On February 19, 2021, Plaintiff commenced this Action by

filing a Complaint alleging causes of action against XYZ Defendant for _____.
~~{The Complaint is the operative complaint in the Action (the “Operative Complaint.”)}~~
~~{(1) Failure to Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 et seq.); (6) Unfair Competition (Bus & Prof Code § 17200 et seq.). On _____~~
~~_____ May 21, 2021, Plaintiff filed a {e.g., First Amended Complaint} alleging causes of action against XYZ Defendant for _____.~~
~~The {e.g., (1) Failure to Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 et seq.); (6) Unfair Competition (Bus & Prof Code § 17200 et seq.) and (7) Civil Penalties Under the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.). The First Amended}~~ Complaint is the operative complaint in the Action (the “Operative

2.1 Complaint.”) XYZ”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2.2.2 Pursuant to Labor Code section 2699.3, ~~subd.(a), subdivision (a), on~~ February 19, 2021, Plaintiff gave timely written notice to ~~XYZ~~ Defendant and the LWDA by sending the PAGA Notice.

2.3.2.3 On _____ (type in additional dates) _____, January 18, 2024, the Parties participated in an all-day mediation presided over by _____ the Hon. Russell Bostrom (Ret.) of Judicate West Alternative Dispute Resolution which led to this Agreement to settle the Action ~~(describe alternative means of negotiation).~~ _____ (describe alternative means of negotiation) _____

2.4.2.4 Prior to ☐ mediation ☒ negotiating the Settlement, Plaintiff obtained, through

☐ formal ☐ informal discovery, _____ ☒ formal

☒ informal discovery, and took the deposition(s) of the Person Most Knowledgeable responsive to a Notice of Deposition of multiple categories and Plaintiff, through both formal and informal discovery, and obtained prior to mediation Defendant’s timekeeping and payroll data, as well as Defendant’s wage and hour policies and nearly 20,000 pages including Plaintiff ‘s time records and those of a random sample of anonymized employees’ timekeeping and payroll documents. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* *Ford Motor Co.*, (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5.2.5 The Court ☐ has ☐ _____ ☒ has not granted nor ruled on class certification.

2.6.2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1.3.1 _____ Gross Settlement Amount. ~~Except as otherwise provided by Paragraph 9 below,~~ XYZ Defendant promises to pay [REDACTED]

_____ and no more as the Gross Settlement Amount ~~[and to separately pay any and all~~which will include the payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments.] ~~XYZ payment from the Gross Settlement Amount.~~ Defendant has no obligation to pay the Gross Settlement Amount ~~(or any payroll taxes)~~ prior to the deadline stated in Paragraph ~~6.14.3~~ of this Agreement^{*}. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to ~~XYZ~~Defendant.

3.2.3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative _____ (in addition to any Individual Class Payment [and any Individual PAGA Payment] the Class Representative is

3.2.1 entitled to receive as a Participating Class Member). XYZ Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment and for Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments to be paid from the Gross Settlement Amount, Plaintiff will seek Court approval for any Class Representative Service Payments no later than ~~16~~ court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2.3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than %,one third (1/3) of the Gross Settlement amount, which is currently estimated to be \$ and a Class Counsel Litigation Expenses Payment of not more than \$. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than ~~16~~ court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. -The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds XYZ Defendant harmless, and indemnifies XYZ Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3.3.2.3 To the Administrator: -An Administrator Expenses Payment not to exceed except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than , the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4.3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. [REDACTED]

[REDACTED] of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage ~~Portion~~Portions"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. [REDACTED]

[REDACTED] of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the

3.2.4.1 “Non-Wage ~~Portion~~”). ~~Portions~~”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. -The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.53.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$ 80,000.00 to be paid from the Gross Settlement Amount, with 75% (\$ 60,000.00) allocated to the LWDA PAGA Payment and 25% (\$ 20,000.00) allocated to the Individual PAGA Payments.

3.2.5.13.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties \$ (\$20,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.23.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1.4.1 Class Workweeks and Aggrieved Employee Pay Periods. - Based on a review of its records ~~to date, XYZ, Defendant~~ estimates that from February 19, 2017 through February 22, 2024, there are 101 Class Members who collectively worked a total of 101 Workweeks, and ~~of 88~~ Aggrieved Employees who worked a total of 6,706 PAGA Pay Periods.

4.2. Class Data. Not later ~~than [e.g., 15] than 15~~ days after the Court grants Preliminary Approval of the Settlement, ~~XYZ Defendant~~ will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Parties stipulate that for purposes of the determining best estimates of Class Workweeks and Aggrieved Employee PAGA pay periods pursuant to 4.1 herein that prior to the time of filing the Motion for Preliminary Hearing the Defendant may submit to the agreed neutral Administrator, PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, the

Class Data for calculation of Class Workweeks and Aggrieved Employees PAGA Pay Periods without any inference of conflict of interest. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. XYZ Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. -Without any extension of the deadline by which XYZ Defendant must send the Class Data

4.2 to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3.4.3 Funding of Gross Settlement Amount. ~~XYZSES~~ [REDACTED]
[REDACTED]
Settlement is submitted to the amounts Court as part of the Motion for Preliminary Approval [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Parties agree that the total Gross Settlement Amount includes the amount necessary to fully pay XYZ's share of Defendant's employer side payroll taxes owed on the Wages Portions of the Individual Class Payments. Defendant shall make the payment set forth above by transmitting the funds to the Administrator no later than [14] days after the Effective Date pursuant to the time periods set forth above.

4.4.4.4 Payments from the Gross Settlement Amount. Within ~~[14] days~~ 14 days after ~~XYZ Defendant~~ funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment, and Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment ~~and~~, the Class Representative Service Payment, and payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1.4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. -The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). -The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2.4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are ~~returned~~returned undelivered without United States Postal Service (“USPS”) forwarding address. -Within ~~7~~ days of receiving a- returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. - The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3.4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks ~~to the California~~to the California Controller’s Unclaimed Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

~~Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).] [or to a Court approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient")]. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.~~

4.4.4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate XYZ Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6.5. RELEASES OF CLAIMS. Effective on the date when XYZ fully Defendant funds the ~~entire~~ Gross Settlement Amount ~~and funds pursuant to the payment plan set forth above which Gross Settlement Amount includes~~ all employer-side payroll taxes owed on the Wage ~~Portion~~ Portions of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his ~~or her~~ respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences ~~[that occurred during the Class Period],~~ including, but not limited to: ~~6.1~~ (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, ~~[or ascertained during the Action and released under 65.2, below],~~ ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Notwithstanding the foregoing, the waiver and release in this Agreement does not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims; (ii) rights or claims arising out of this Agreement after this Agreement is executed by Plaintiff; and (iii) rights or claims arising of this Agreement. The Agreement in no way affects Plaintiff's entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation. Plaintiff also agrees to not request an exclusion from this settlement. Any Class Representative Service Payment approved by the Court will result in the issuance of a Form 1099 to the Class Representative, who shall assume full responsibility and liability for the payment of taxes due on such award.

5.1.1 ~~6.1.1~~ Plaintiff's Waiver of Rights Under ~~California~~ Civil Code
Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and
relinquishes the provisions, rights, and benefits, if any, of section 1542 of the
~~California~~ Civil Code, which reads:

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

5.2 Release by Participating Class Members Who Are Not Aggrieved Employees:-

6.2 All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint ~~[and ascertained in the course of the Action]~~ ~~[including, e.g., “(a) any and all claims involving any alleged~~ failure(1) Failure to pay minimum wage; etc.]. Pay All Overtime Wages Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (2) Failure to Pay All Minimum Wages Owed (Labor Code §§ 1194, 1194.2, 1197); (3) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (4) Failure to Authorize and Permit All Rest Periods (Labor Code §§ 226.7, 516); (5) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226 et seq.); (6) Unfair Competition (Bus & Prof Code § 17200 et seq.) and (7) Civil Penalties Under the Labor Code Private Attorneys General Action of 2004 (Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 et seq.) Except as set forth in Section 6.5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

6.35.3 Release by Non- Participating Class Members Who Are Aggrieved

Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint ~~[,], [and] the PAGA Notice~~ ~~[, and ascertained in the course of the Action]~~ [including, e.g., “(a) any and all, and which occurred during the PAGA Period. The claims involving any alleged under the PAGA being released include, without limitation: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof; and (5) failure to provide accurate, itemized wage; etc.]. statements, and any and all related claims for attorneys’ fees and costs.

7.6. MOTION FOR PRELIMINARY APPROVAL: The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

7.16.1 XYZ’s

Defendant’s Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, XYZ Defendant will prepare and deliver to Class Counsel a signed Declaration Declarations from XYZ Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator ~~and Cy Pres Recipient.~~ In their Declarations, Defense Counsel and

~~XYZ~~Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

~~7.2~~ Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code ~~Section~~section 2699, ~~subd.~~subdivision (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members ~~[and/or the proposed Cy Pres];~~; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration

6.2 from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, ~~and/or~~ the Administrator ~~and/or the proposed Cy Pres~~; ~~(v; (vi))~~ a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (~~LaborLab. Code-section, § 2699.3, subd. (a);~~)), Operative Complaint (~~LaborLab. Code-section, § 2699, subd. (l)(1)~~), this Agreement (~~LaborLab. Code-section, § 2699, subd. (l)(2)~~); ~~(vii)~~ a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and ~~(viii)~~ all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator ~~and/or the Cy Pres Recipient~~. In their Declarations, Plaintiff and Class Counsel Declarations shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiff shall provide drafts of these documents to Defense Counsel not later than 14 days prior to filing the Motion for Preliminary approval. Class Counsel and Defense Counsel will expeditiously meet and confer either by email or telephone to resolve any disagreements concerning the Motion for Preliminary Approval.

7.36.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than ~~[30] days~~ 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

7.46.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by email or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by email by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8.7. SETTLEMENT ADMINISTRATION.

8.1— Selection of Administrator. -The Parties have jointly selected

7.1 — PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS to serve as the Administrator and verified that, as a condition of appointment,

it agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The

Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

~~8.27.2~~ Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

8.37.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

8.47.4 Notice to Class Members.

8.4.17.4.1 No later than three (3) business days after receipt of the Class Data following granting the Motion for Preliminary Approval, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members~~Aggrieved Employees~~, Workweeks~~;~~ and Pay Periods in the Class Data.

8.4.27.4.2 Using best efforts to perform as soon as possible, and in no event later than ~~{14}~~ days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class ~~United States Postal Service (“USPS”)~~ mail, the Class Notice ~~{with Spanish translation, if applicable}~~ substantially in the form attached to this Agreement as Exhibit ~~_____~~A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.37.4.3 Not later than ~~{3}~~ business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. ~~-If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. -The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.~~

8.4.47.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods~~;~~ and Requests for Exclusion will be extended an additional ~~{14}~~ days beyond the ~~{60}~~ days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 ~~_____~~ If the Administrator, ~~XYZ~~Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person by email or by telephone, and in good

faith^{7.2} in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than ~~{14}~~ days after

7.4.5 receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.57.5 Requests for Exclusion (Opt-Outs).

8.5.17.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than ~~{60}~~ days after the Administrator mails the Class Notice (plus an additional ~~{14}~~ days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. -To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.27.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. -The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.37.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 65.2 and 65.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.47.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.45.3 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have ~~{60}~~ days after the Administrator mails the Class Notice (plus an additional ~~{14}~~ days for

Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. -The Class Member may challenge the allocation by communicating with the

7.6 Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7.7 Objections to Settlement.

8.7.17.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested from the Gross Settlement Amount for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment, and payment of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments from the Gross Settlement Amount.

8.7.27.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present ~~verbal~~oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than ~~{60}~~ days after the Administrator's mailing of the Class Notice (plus an additional ~~{14}~~ days for Class Members whose Class Notice was re-mailed).

8.7.37.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8.7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.17.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing ~~and copies of,~~ the unredacted Settlement Agreement, unredacted Motion for Preliminary Approval, the unredacted Preliminary Approval Order, the unredacted Class Notice, the unredacted Motion for Final Approval, which shall include the ~~Motion request~~ for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment ~~and,~~

Class Representative Service Payment, and request for payment amount of Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments from the Gross Settlement Amount, the unredacted Final Approval Order and the unredacted Final Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

~~8.8.2~~ Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

7.8.2 validity. Not later than ~~five~~ (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

~~8.8.37.8.3~~ Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include ~~provide~~ the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

~~8.8.47.8.4~~ Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

~~8.8.57.8.5~~ Administrator’s Declaration. Not later than ~~14~~ 7 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

~~8.8.67.8.6~~ Final Report by Settlement Administrator. Within ~~10~~ days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least ~~15~~ 10 days before any deadline set by the Court, the Administrator will prepare, and submit to

Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the ~~Administrator's~~Administrator's declaration in Court.

9.8. CLASS SIZE ESTIMATES ~~and ESCALATOR CLAUSE~~. Based on a review of its records, XYZ Defendant estimates that, ~~as of the date of this Settlement Agreement, (1) from February 19, 2017 through February 22, 2024,~~ there are _____
_____ 101 Class Members and _____
_____ ~~Total~~ who collectively worked a total of _____ Workweeks during the Class period and (2) there were _____, and 88 Aggrieved Employees who worked _____ a total 6,706 PAGA Pay Periods ~~during the PAGA Period.~~^{viii}.

10.9. XYZ'SSES'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds %—30% of the total of all Class Members, XYZ Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if XYZ Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, XYZ Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. XYZ Defendant must notify Class Counsel and the Court of its election to withdraw not later than ~~[seven]~~fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11.10. MOTION FOR FINAL APPROVAL. Not later than ~~[16]~~ court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, ~~subd. subdivision~~ (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than ~~[seven]~~21 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than ~~that [than] five~~ court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.210.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

~~11.3~~10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

~~settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.~~

~~11.4~~10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment ~~reflected and~~ Defendant's employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

~~11.5~~10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

~~12.11.~~AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

~~13.12.~~ADDITIONAL PROVISIONS.

~~13.1~~ No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by ~~XYZ~~Defendant that any of the allegations in the Operative Complaint have merit or that ~~XYZ~~Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that ~~XYZ's~~Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, ~~XYZ~~Defendant reserves the

right to contest certification of any class for any reasons, and ~~XYZ~~Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest ~~XYZ's~~Defendant's defenses. - The Settlement, this Agreement and ~~Parties'~~Parties' willingness to

12.1 settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

~~13.212.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, XYZ and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them~~ Confidentiality. On April 4, 2024, the Parties participated in a conference with the Court, Judge Stuart Rice presiding, during which confidentiality of this settlement was discussed. On April 26, 2024, the Court issued an Order approving a Stipulation between the Parties to publicly file the redacted Settlement, Motion for Preliminary Approval, Preliminary Approval Order, Motion for Final Approval and Final Order and Judgment [REDACTED] [REDACTED], with the unredacted versions filed under seal. In accordance therewith, the Parties agree that prior to the filing of the Motion for Preliminary Approval of Settlement, the Parties and their counsel will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, ~~XYZ and Defendant~~, Defense Counsel, separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members, or Class Counsel and Defense Counsel communications with the Class Administrator to facilitate Class Data calculations for Class Members Work Weeks and Aggrieved Employees PAGA Pay Periods. Furthermore, the Parties, Class Counsel and Defense Counsel agree that, [REDACTED] [REDACTED] [REDACTED], the Motion for Preliminary Approval (including all supporting pleadings and documents), the Preliminary Approval Order, the Motion for Final Approval (including all supporting pleadings and documents), and the Final Order and Judgment will file the redacted documents publicly and the unredacted documents under seal.

13.312.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or

object to the Settlement, or appeal from the Judgment. -Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

~~13.4~~12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

~~13.5~~12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and ~~XYZ~~Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

~~13.6~~ Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement

12.6 the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

~~13.7~~12.7 No Prior Assignments.- The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

~~13.8~~12.8 No Tax Advice. Neither Plaintiff, Class Counsel, ~~XYZ~~Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

~~13.9~~12.9 Modification of Agreement. -This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

~~13.10~~12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

~~13.11~~12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the ~~state~~State of California, without regard to conflict of law principles.

~~13.12~~12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

~~13.13~~12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

~~13.14~~12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to ~~Cal. Evid.~~Evidence Code ~~§~~section 1152, and all copies and summaries of the Class Data provided to Class Counsel by ~~XYZ~~ Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule-~~of court.~~ Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from ~~XYZ~~ Defendant unless, prior to

the Court's discharge of the Administrator's obligation, ~~XYZ~~ Defendant makes a written request to Class Counsel for the return, rather than the ~~destructions~~ destruction, of Class Data.

~~13.15~~12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

~~13.16~~12.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

~~13.17~~12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or two days after the day sent by email or messenger, addressed as follows:

To Plaintiff:

<u>Scott M. Lidman</u>	<u>Paul K. Haines</u>
<u>Milan Moore</u>	
<u>Tiara Gose-Hardy</u>	<u>Haines Law Group, APC</u>
<u>Lidman Law, APC</u>	<u>2155 Campus Drive, Suite 180</u>
<u>2155 Campus Drive, Suite 150</u>	<u>El Segundo, CA 90245</u>
<u>El Segundo, CA 90245</u>	<u>Telephone: (424) 292-2350</u>
<u>Telephone: (424) 322-4772</u>	<u>Facsimile: (424) 292-2355</u>
<u>Facsimile: (424) 322-4775</u>	<u>Email: phaines@haineslawgroup.com</u>
<u>Email: slidman@lidmanlaw.com</u>	
<u>mmore@lidmanlaw.com</u>	
<u>tgose@lidmanlaw.com</u>	

To ~~XYZ~~ Defendant:

Jeffrey L. Malek
Laura L. Lewis
Malek & Malek
23332 Hawthorne Blvd., Suite 305
Torrance, CA 90505
Telephone: (310) 540-5100
Facsimile: (310) 371-7242
Email: cwhite@maleklaw.com; jmalek@maleklaw.com; llewis@maleklaw.com

~~13.18~~12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes

of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

~~13.19~~12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to ~~CCP~~Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under ~~CCP~~Code of Civil Procedure section 583.310 for the entire period of this settlement process.

For
DATE: _____ JOSE MARTINEZ

BY: _____
Jose Martinez

DATE: _____ SOUTHLAND ENERGY SYSTEMS

BY: _____
Name: _____
Title: _____

APPROVED AS TO FORM

DATE: _____ LIDMAN LAW, APC

BY: _____
Scott M. Lidman
Milan Moore
Tiara Gose-Hardy
Counsel for Plaintiff _____ For XYZ, JOSE MARTINEZ

DATE: HAINES LAW GROUP, APC

BY:
Paul K. Haines
Counsel For for Plaintiff Counsel For XYZ, JOSE
MARTINEZ

DATE: MALEK & MALEK

By:
Jeffrey L. Malek
Laura L. Lewis
Counsel for Defendant,
SOUTHLAND ENERGY SYSTEMS

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

(case name and number)

Jose Martinez v. Southland Energy Systems, Los Angeles County Superior Court Case No.
21STCV0691

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit ("Action") against (abbreviate name; "XYZ" is used herein as a placeholder) Defendant SOUTHLAND ENERGY SYSTEMS ("SES or "Defendant") for alleged wage and hour violations. The Action was filed by a [n][former] XYZ employee

JOSE MARTINEZ ("Plaintiff") ~~and an individual classified by~~ SES as a non-exempt employee. Plaintiff seeks payment damages and penalties based on allegations of: (1) backunpaid minimum wages, (2) unpaid overtime wages, (3) missed meal and other relief for rest periods and unpaid premiums related thereto, and (3) inaccurate wage statements. Plaintiff also seeks civil penalties under the Private Attorney General Act ("PAGA") and restitution under California Business and Professions Code section 17200. Plaintiff seeks these remedies on behalf of a class of [e.g., hourly] individuals classified as non-exempt employees ("Class Members") who worked for XYZSES during the Class Period (to); February 19, 2017 through June 3, 2024; and (2) also seeks civil penalties under the California Private Attorney General Act ("PAGA") for all [e.g., hourly] individuals classified as non-exempt employees ("Aggrieved Employees") who worked for XYZSES during the PAGA Period (to) ("Aggrieved Employees"). February 19, 2020 through June 3, 2024.

The proposed Settlement has two main parts: (1) a Class Settlement requiring XYZSES to fund Individual Class Payments, and (2) a PAGA Settlement requiring XYZSES to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on XYZ'sSES's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____. \$ _____.** The actual amount you may receive likely will be different and will depend on a number of factors. ~~(If no amount is stated for your Individual PAGA Payment, then according to XYZ'sSES's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)~~

The above estimates are based on XYZ'sSES's records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks _____ PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks or pay

periods during either period, you can submit a challenge by the deadline date.- See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. -At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires XYZSES to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against XYZSES.

If you worked for XYZSES during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against XYZSES.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against XYZSES, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

XYZSES will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against <u>XYZSES</u> that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is - _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. <u>XYZSES</u> must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement

Written Objections Must be Submitted by

All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. - You can object to the amounts requested by Class Counsel or ~~Plaintiff if you think they are unreasonable. See Section 7 of this Notice.~~

	<u>Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</u>
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____, _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section- 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____ _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. -The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to XYZ's <u>SES's</u> records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is an individual who works for SES and was and is classified as a~~[n] [former]~~ XYZ non-exempt employee by SES. The Action accuses XYZSES of violating California labor laws by failing to pay ~~[e.g., overtime wages, minimum wages, wages due upon termination and reimbursable expenses]~~ and failing to provide ~~[e.g., meal periods, and~~ rest breaks, and failing to provide accurate itemized wage statements~~].~~ Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (~~Labor~~Lab. Code ~~§§, §~~ 2698, et seq.) ("PAGA").- Plaintiff is represented by attorneys in the Action:

Scott M. Lidman,
Milan Moore, and Tiara Gose-Hardy of Lidman Law, APC, and Paul Haines of Haines Law
Group, APC ("Class Counsel.")

XYZSES strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether XYZSES or Plaintiff is correct on the merits. In the meantime, Plaintiff and XYZSES hired ~~□ an experienced, neutral mediator □~~ a retired judge

~~□~~ _____ (describe alternative means of negotiation)
(Hon. Russell Bostrom) in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process

of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and XYZSES have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, XYZSES does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) XYZSES has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. XYZSES Will Pay [REDACTED] as the Gross Settlement Amount (Gross Settlement). [REDACTED]
[REDACTED]
[REDACTED] Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming), and all employer-side payroll taxes owed on the Court grants Final Approval, XYZ will fund Wage Portions of the Gross Settlement not more than [14] days after the Judgment entered by the Court become final Individual Class Payments. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to [REDACTED] (1/3rd of the Gross Settlement) to Class Counsel for attorneys' fees and up to [REDACTED] for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to [REDACTED] as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to [REDACTED] to the Administrator for services administering the Settlement.
 - D. Up to \$ 80,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$60,000.00) and 25% (\$20,000) in Individual PAGA

Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

E. Employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments estimated at a maximum rate of [REDACTED] at approximately [REDACTED]

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

~~3.~~ Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross

3. Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and XYZSES are asking the Court to approve an allocation of [REDACTED] of each Individual Class Payment to taxable wages (“Wage ~~Portion~~Portions”) and % [REDACTED] to [e.g., interest, etc.] and penalties (“Non-Wage ~~Portion~~Portions”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. ~~[Option 1: (XYZ will separately pay SES’s employer-side payroll taxes it owes owed on the Wage Portions of the Individual Class Payments will be paid from the Gross Settlement Amount. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. Portion.)]~~ The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and XYZSES have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies
- ☐ will be deposited with the California ~~Controller’s~~Controller’s Unclaimed Property Fund in your name.
- ☐ ~~will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“Cy Pres”).~~
5. If the monies represented by your check ~~is~~are being sent to the California Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, [insert date], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ [insert date] Response Deadline. ~~The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the~~

Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against ~~XYZSES~~.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against ~~XYZSES~~ based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. ~~Plaintiffs~~Plaintiff and XYZSES have agreed that, in either case, the Settlement will be void: XYZSES will not pay any money and Class Members will not release any claims against XYZSES.

~~8.—Administrator.~~ The Court has appointed a neutral company,

8. PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and XYZSES has ~~fully~~ funded the Gross Settlement ~~{Option 1: (and separately paid all employer-payroll taxes)}~~pursuant to the agreed payment plan, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against XYZSES or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, ~~and assigns, release Released Parties from (i) and assigns, release SES and its respective former, current and future parent companies, subsidiaries, affiliates, shareholders, managers, members, agents, principals, heirs, representatives (including, without limitation, any investment bankers, accountants, auditors, consultants, insurers, reinsurers, attorneys and past, present or future officers, directors and employees) predecessors, successors, and assigns (“Released Parties”) from~~ all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint ~~[and ascertained in the course of the Action] [including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.”]. Except as set forth in Section 6 and/or~~

ascertained in the course of the Action and which occurred during the Class Period. The claims alleged include, without limitation: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof, (5) failure to provide accurate, itemized wage statements; and (6) unfair business practices in violation of Business and Professions Code section 17200, et seq. premised on the above claims; and violation of or liability under California Private Attorneys General Act of 2004 (Labor Code §2698 et seq.) under the Operative Complaint, and relevant Wage Orders issued by the Industrial Welfare Commission, and any and all related claims for attorneys' fees and costs. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. -After the Court's judgment is final, (as that is defined in Paragraph 1.18 above), and XYZSES has paidfunded the Gross Settlement ~~(and separately paid the employer-side payroll taxes),~~ all Aggrieved Employees will be barred from asserting PAGA claims against XYZSES, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against XYZSES or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint~~[,] and~~ the PAGA Notice ~~and~~ ascertained in the course of the Action~~[,] including, e.g.,~~ (a) any and all claims involving any alleged failure to pay overtime wages, (2) failure to pay minimum wages; (3) failure to provide meal periods or provide premium wages in lieu thereof; (4) failure to provide rest periods or provide premium wages in lieu thereof; and (5) failure to provide accurate, itemized wage~~s~~; etc.] statements, and any and all related claims for attorneys' fees and costs.

4. ~~4.~~ HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$ 20,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in XYZ'sSES's records, are stated in the first page of this Notice. -You have until — [insert date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records~~;~~ you may have. The Administrator will accept XYZ'sSES's calculation of Workweeks and/or Pay Periods based on XYZ'sSES's records as accurate unless you send copies of records containing contrary information.- You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and XYZ'sSES's Counsel. The Administrator's

decision is final. You can't appeal or otherwise challenge its final decision.

5. ~~5.~~ HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check, to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The ~~single~~ check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single ~~Individual~~ individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as _____

_____ JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, insert date, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and XYZSES are asking the Court to approve. At least _____ 16 Court days before the Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; ~~and~~ (ii) the amount Plaintiff is requesting as a Class Representative Service ~~Award. Payment, and (iii) that SES's payroll taxes owed on the Wage Portions of the Individual Class Payments be paid from the Gross Settlement Amount.~~ Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you unredacted copies of these documents at no cost to you. You can also view ~~them~~ the unredacted documents on the Administrator's Website _____

_____ or the Court's website _____

_____.
(url)

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and ~~Service Award~~Class Representative Service Payment, and/or SES's payroll taxes owed on the Wage Portions of the Individual Class Payment from the Gross Settlement Amount may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** **[insert date]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ as JOSE MARTINEZ v. SOUTHLAND ENERGY SYSTEMS and include your name, current address,

____ telephone number, and approximate dates of employment for ~~[XYZ]SES~~ and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ **[insert date]** at _____ **[insert time]** in Department ~~[7]SSC-1~~ of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). ~~Check the Court's://www.lacourt.org/lacc/~~. Check the Administrator's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand ~~or contact Class Counsel~~ to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything ~~XYZSES~~ and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement ~~documents is to go to _____ (specify entity) 's website at _____ (url) . You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (http://www.lacourt.org/casesummary/ui/index.aspx) and entering the Case Number for the Action, Case No. _____ . You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.~~

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

~~Class Counsel: Name of Attorney: Documents, pleadings, Motions and Orders is to go to the Administrator's website dedicated to this action at _____ (url) . You can also send an email to the Administrator or Class Counsel using the email information provided (insert Phoenix email) . Pursuant to an Order from the Court, all settlement documents and orders contain confidential information and are being filed with redactions of confidential information. However, the unredacted version can be viewed at the Administrator's website. You are urged but not required to maintain confidentiality of the terms of the Settlement and~~

urged but not required to only share such information with your attorneys, accountants, spouses, taxing authorities and to the extent necessary to respond to a Court order or subpoena, or from an inquiry or subpoena from a state or federal agency. DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

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<u>Email: slidman@lidmanlaw.com</u>	
<u>mmoore@lidmanlaw.com</u>	

Settlement Administrator: **[PHOENIX TO INCLUDE INFO HERE]**

Name of Company:

Email Address: ~~Name of Firm:~~

Mailing Address: ~~Telephone:~~

Settlement Administrator: ~~Name of Company:~~

~~Email Address: Mailing Address: Telephone:~~

~~Fax Number:~~

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the State Controller's Unclaimed Property Fund for instructions on how to retrieve the funds

~~☐ you should consult the Unclaimed Property Fund _____ for instructions on how to retrieve the funds~~

~~☐ you will have no way to recover the money.~~

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

~~ⁱThis Model Class Action and PAGA Settlement Agreement has been approved by the Court, the Complex litigation judges, and a 2022 Ad Hoc Wage and Hour Committee co-chaired by Judge David Cunningham and Judge Amy Hogue and comprised of 16 attorneys who regularly represent plaintiffs and defendants in wage and hour case. It is written for settlements of single plaintiff wage and hour actions asserting class claims and PAGA claims against a single employer (XYZ). The parties will need to revise this form if there are multiple plaintiffs or multiple defendants. For settlements of wage and hour class actions that do not include PAGA claims, please use the Model Class Action Settlement Agreement and Class Notice. THE COURT ASKS ALL COUNSEL USING THIS MODEL AGREEMENT TO ATTACH A REDLINED VERSION TO THEIR MOTIONS FOR APPROVAL SO THAT THE COURT CAN EASILY SEE EXACTLY HOW THE PARTIES HAVE MODIFIED THIS MODEL AGREEMENT.~~

~~ⁱⁱWhether the “date of preliminary approval” yields a fair and adequate payment to Class Members may depend on whether the Class Members, in exchange for their releases of claims, receive consideration for time worked between the date when parties reached a settlement and the date of preliminary approval. The Parties’ *Kullar* analysis must give the Court sufficient information to allow the Court to determine whether the Gross Settlement Amount “represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation.” (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 94–95, internal quotation marks omitted.)~~

~~ⁱⁱⁱSee endnote ii above.~~

~~^{iv}The Parties may need to tailor this language to pay periods or shifts depending on the facts of the case.~~

~~^vThe Parties are free to negotiate a payment plan structure, if appropriate, and payment deadlines may fall earlier as necessary thereto.~~

~~^{vi}Note that this is not the only possible appropriate breakdown depending on the claims at issue in the case (e.g. a settlement that is solely a Labor Code Section 226(a) claim.)~~

~~^{vii}Insert negotiated terms, if any, addressing the possibility that XYZ’s estimates of class size, Workweeks or Pay Periods turn out to be understated such as an ADR clause imposing a duty to engage in good faith negotiations or mediation or an “escalator” clause memorializing XYZ’s promise to increase the Gross Settlement Amount in an agreed-upon proportion to the percentage by which the calculated class size, Workweeks, or Pay Periods exceeds XYZ’s estimates.~~

~~^{viii}Releases in Notice should track the releases in the Settlement Agreement.~~