

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE**

HECTOR MARTINEZ, individually and on
behalf of others similarly situated, and as an
aggrieved employee and Private Attorney
General,

Plaintiff,

vs.

S D P, a California corporation; EMPIRE
COMMUNITY PAINTING
MANAGEMENT, INC., a California
corporation; EMPSD, INC., a California
corporation; EMPCC, INC., a California
corporation; COLLEGE WORKS ISM,
INC., a California corporation; COLLEGE
WORKS PAINTING, INC., a California
corporation; CWPNC, INC., a California
corporation; EMPAUS, INC., a California
corporation; EMPJAX, LLC, a California
limited liability company; EMPNC, INC., a
California corporation; EMPPBI, LLC, a
California limited liability company; MJP
EMPIRE, INC., a California corporation;
EMPIE, INC., a California corporation;
EMPFL, LLC, a California limited liability
company; NATIONAL SERVICES GROUP,
INC., a California corporation; EMPIE, INC.
d.b.a. EMPIRE WORKS
RECONSTRUCTION AND PAINTING, a
Nevada corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No. 30-2021-01184079-CU-OE-CXC
[Unlimited Jurisdiction]

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

Complaint Filed: February 16, 2021
SAC Filed: January 31, 2022
Trial: None

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff HECTOR MARTINEZ, individually and on behalf of the Settlement Class, and as an aggrieved employee and Private Attorney General, and Defendants SDP, COLLEGE WORKS ISM, INC., COLLEGE WORKS PAINTING, INC., CWPNC, INC., EMPAUS, INC., EMPCC, INC., EMPFL, LLC., EMPIE, INC. d.b.a. EMPIRE WORKS RECONSTRUCTION and PAINTING, EMPIRE, INC., EMPJAX, LLC, EMPNC, INC., EMPPBI, LLC, EMPSD, INC., MJP EMPIRE, INC., and NATIONAL SERVICES GROUP, INC. (collectively, “Defendants”) (together with Plaintiff, the “Parties”)

DEFINITIONS

1. “Action” means the court action entitled “*Hector Martinez v. SDP, et al.*”, Case No. 30-2021-01184079-CU-OE-CXC, pending before the Orange County Superior Court.

2. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

3. “Class” or “Class Members” means all current and former hourly paid or non-exempt employees employed by Defendants within the state of California at any time during the Class Period.

4. “Class Counsel” means Protection Law Group, LLP.

5. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, *i.e.*, Seven Hundred Thousand Dollars (\$700,000.00), and the reimbursement costs and expenses associated with the litigation and settlement of the Action, not to exceed Thirty-Five Thousand Dollars (\$35,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

6. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator

1 within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class
2 List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class
3 Member's: (1) full name; (2) last known home address; (3) last known telephone number; (4)
4 social security number; (5) start and end dates of active employment as a non-exempt employee
5 of Defendants in the State of California; (6) total Workweeks during the Class Period; (7) total
6 Pay Periods during the PAGA Period; and (8) any other information required by the Settlement
7 Administrator in order to effectuate the terms of the Settlement.

8 7. "Class Period" means the period from February 16, 2017, and ending on the date
9 the Court grants Preliminary Approval of Settlement.

10 8. "Class Representative" means Plaintiff Hector Martinez in his capacity as
11 representative of the Participating Class Members.

12 9. "Class Representative Enhancement Award" means the amount that the Court
13 authorizes to be paid to Plaintiff in addition to his Individual Settlement Payment, in recognition
14 of the efforts and risks he has taken in assisting with the prosecution of the Action and in exchange
15 for the General Release of his claims as provided herein.

16 10. "Court" means the Superior Court of the State of California for the County of
17 Orange.

18 11. "Defendants" means SDP, College Works ISM, Inc., College Works Painting,
19 Inc., CWPNC, Inc., Empaus, Inc., EMPCC, Inc., EMPFL, LLC, EMPIE, Inc. dba Empire Works
20 Reconstruction and Painting Empire, Inc., EMPJAX, LLC, EMPNC, Inc., EMPPBI, LLC,
21 EMPSD, Inc., MJP Empire, Inc., and National Services Group, Inc.

22 12. "Effective Date" means the date that all of the following events have occurred: (i)
23 the long-form Stipulation of Settlement (this Agreement) has been executed by Plaintiff,
24 Defendants, Class Counsel and Defendants' Counsel; (ii) the Court has given preliminary
25 approval to the Settlement; (iii) the Class Notice has been sent to the Class Members, providing
26 them the opportunity to object to the Settlement, and the opportunity to opt out of the Settlement;
27 (iv) the Court has held a formal fairness hearing and entered the Court's Final Order and Judgment
28 and sixty (60) days have elapsed; and (v) the later of the following events: (A) when the period

1 for filing any appeal, writ, intervention, or other proceeding opposing the Settlement has elapsed
2 without any appeal, writ, intervention, or other proceeding having been filed; (B) when any
3 appeal, writ, intervention, or other proceeding opposing the Settlement has been dismissed finally
4 and conclusively with no right to pursue further remedies or relief; or (C) when any appeal, writ,
5 intervention, or other proceeding has upheld the Court's Final Order and Judgment with no right
6 to pursue further remedies or relief. If the Court declines to approve the Settlement or the Effective
7 Date otherwise fails to occur, the entire Settlement is deemed void and unenforceable as if no
8 settlement of any claim was ever reached. All negotiations, statements and proceedings and data
9 relating thereto shall be protected by California Evidence Code § 1152 and shall be without
10 prejudice to the rights of any of the Parties.

11 13. "Final Approval" means the Court entering an order granting final approval of the
12 Settlement Agreement.

13 14. "Gross Settlement Amount" means the sum of Two Million Dollars
14 (\$2,000,000.00). The Gross Settlement Amount is non-reversionary; no portion of the Gross
15 Settlement Amount will return to Defendants, and includes all: (1) payments to the Class; (2)
16 Class Counsel's fees; (3) Class Counsel's costs; (4) Settlement Administration Costs; (5)
17 Incentive Payment to Plaintiff; and (6) Payment of PAGA Penalties to be paid to the California
18 Labor and Workforce Development Agency ("LWDA") and PAGA Members. The Gross
19 Settlement Amount is exclusive of employer share of any applicable payroll taxes, and any such
20 employer-side payroll taxes shall be paid by Defendants separately and in addition to the Gross
21 Settlement Amount. The Gross Settlement Amount plus any applicable employer-side payroll
22 taxes shall be the maximum amount Defendants are required to pay under the Settlement.

23 15. "Individual Settlement Payment" means the amount payable from the Net
24 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
25 eligible to receive from the employee portion of the PAGA Penalties. Individual Settlement
26 Payments shall be paid by a Settlement Check made payable to Participating Class Members
27 and/or PAGA Members.

28 16. "Net Settlement Amount" means the funds available for payments to the Class,

which shall be amount remaining after the following amounts are deducted from the Gross Settlement Amount: (1) Class Counsel's fees; (2) Class Counsel's costs; (3) Settlement Administration Costs; (4) Class Representative Enhancement Payment to Plaintiff; and (5) the PAGA Penalties to be paid to the LWDA and PAGA Members.

17. "Notice" means the Notice of Proposed Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, that will be mailed to Class Members' last known address, and which will provide Class Members with information regarding the Action and information regarding the Settlement of the Action.

18. "Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector's full name, address, telephone number, last four digits of the employees' social security number or employee ID number; (b) the name of the case and case number; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

19. "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

20. "PAGA Members" means all current and former hourly paid non-exempt employees of Defendants who were employed by Defendants in the State of California at any time during the PAGA Period.

21. "PAGA Penalties" means the amount that the Parties have agreed to allocate in order to settle claims arising under the PAGA. The Parties have agreed that One-Hundred Thousand Dollars (\$100,000.00.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff's PAGA Claims. Seventy Five Percent (75%) of this amount (\$75,000.00) will be paid to the LWDA in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$25,000.00) will be distributed to PAGA Members. PAGA Members will receive payment from the employee portion of the PAGA Penalties regardless of their decision to participate in the Class Action if the PAGA Penalties are approved by the Court.

22. "PAGA Period" means the period from February 9, 2020, and ending on the date the Court grants Preliminary Approval of Settlement.

23. “Participating Class Members” means all Class Members who do not submit valid and timely Requests for Exclusion.

24. “Parties” means Plaintiff and Defendants, collectively, and “Party” shall mean either Plaintiff or Defendants, individually.

25. “Pay Period” shall mean any pay period, in which a PAGA Member worked at least one (1) day during the PAGA Period.

26. “Plaintiff” means Hector Martinez.

27. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

28. “Released Class Claims” means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in the operative Complaint in this Action including the following claims:

- a. (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could

have been alleged in connection with any other claims; and (11) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in Hector Martinez’s Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action, also including any claims for penalties (statutory, civil or otherwise), attorneys’ fees, costs, interest, penalties, or premiums in connection with the claims in this Paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of *res judicata*, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

This release shall apply to claims arising during the Class Period.

29. “Released PAGA Claims” means any and all alleged violations of the California Labor Code identified in the Hector Martinez’s February 9, 2021, Letter to the Labor & Workforce Development Agency (“LWDA”) for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802 and further identified in the Complaint that are alleged to have occurred during the PAGA Period as well as all PAGA claims that could have been asserted under the California Labor Code Private Attorneys General Act of 2004 based on the same or similar factual allegations and claims in the operative Complaint (the Second Amended Complaint) in this Action or any PAGA notice submitted by Plaintiff to the LWDA for the PAGA Period.

30. “Released Parties” means the named Defendants SDP, College Works ISM, Inc.,

College Works Painting, Inc., CWPNC, Inc., Empaus, Inc., EMPCC, Inc., EMPFL, LLC, EMPIE, Inc. dba Empire Works Reconstruction and Painting Empire, Inc., EMPJAX, LLC, EMPNC, Inc., EMPPBI, LLC, EMPSD, Inc., MJP Empire, Inc., and National Services Group, Inc., and any and all of their past, present and future direct or indirect parents, sister or related entities, expressly including acquired companies, subsidiaries, predecessors, successors and affiliates as well as each of its or their past, present and future owners, officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heir, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.

31. “Request for Exclusion” means a valid and timely written statement submitted by a Class Member requesting to be excluded from the class settlement. To be effective, the Request for Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the Class claims. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release of claims arising under the PAGA.

32. “Response Deadline” means the date sixty (60) calendar days after the Settlement Administrator mails Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion, written objections, and workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally

extend the deadline for Class Members to submit a Request for Exclusion or objection to the Settlement.

33. “Settlement” means the disposition of the Action pursuant to this Agreement.

34. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

35. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, translating the Notice, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Twenty Thousand Dollars (\$20,000.00).

36. “Settlement Class Members” shall mean all Participating Class Members as described in paragraph 60 and the PAGA Members.

37. “Tax Rate Information” shall mean the tax rate currently paid by Defendants for the employer’s share of employment taxes in California.

38. “Workweek” shall mean any calendar week (*i.e.*, a week beginning with Sunday and ending with Saturday), in which a Class Member worked at least one (1) day during the Class Period.

TERMS OF AGREEMENT

39. Supporting Declaration Regarding Installments: The Parties have agreed to allow Defendants to fund the Gross Settlement Amount in two equal installments. Defendants agree to provide a sufficient supporting Declaration in support of Preliminary Approval of the Settlement regarding the need to pay in two separate payments.

40. Settlement Consideration: Defendants shall fund the Gross Settlement Amount in

two installments: (i) the first installment of \$1,000,000.00 shall be paid on October 30, 2025, (“First Installment”), and (ii) the second installment of \$1,000,000.00 shall be paid on November 3, 2025 (“Second Installment”). The Gross Settlement Amount shall include all applicable employer-side payroll taxes following Final Approval by the Court and the Effective Date, and at which time such Order becomes final and is no longer appealable. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Incentive Payment, Class Counsel’s Fees and Costs, the PAGA Penalties, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of Workweeks set forth below, Defendants shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

41. Potential Increase to the Gross Settlement Amount: The Gross Settlement Amount is based on Defendants’ representation that the Class Members worked a total of approximately 169,000 Workweeks during the Class Period. Should the qualifying Workweeks worked by the Class Members during the Class Period ultimately increase by more than 10% (*i.e.*, exceed more than 185,900 Workweeks), Defendants shall have right at their sole discretion to either (1) reduce the Class Period such that the workweeks do not exceed 185,900, or (2) pay a pro-rata increase in the GSA equal to the percentage increase in workweeks above 185,900. For example, if the workweek count increases by 12%, then Defendants may, at their sole discretion, elect to pay a 2% increase to the GSA. Defendants shall confirm, through the Settlement Administrator, that the number of Workweeks did not increase by more than 10%.

42. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the funding of the Second Installment of the Settlement, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class Representative Incentive Payment; (d) Class Counsel’s Fees and Costs; and (e) Settlement Administration Costs.

43. Attorneys’ Fees and Costs: Defendants agree not to oppose any application or

motion by Class Counsel for attorneys' fees of not more than Seven Hundred Thousand Dollars (\$700,000.00) plus the reimbursement of costs and expenses associated with the litigation and settlement of the Action, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that are not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

44. Class Representative Enhancement Payment: Defendants agree not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00) for Plaintiff. The Class Representative Enhancement Payment is in exchange for the General Release of the Plaintiff's individual claims and for his time, effort, and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement Payment that is not awarded to the Class Representative shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

45. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Twenty Thousand Dollars (\$20,000.00). Should any Settlement Administration Costs exceed Twenty Thousand Dollars (\$20,000.00), then Class Counsel shall bear the responsibility for said costs.

46. PAGA Penalties: One-Hundred Thousand Dollars (\$100,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay Seventy-Five Percent (75%) of the PAGA Penalties, or Seventy-Five Thousand Dollars (\$75,000.00), to the LWDA. Twenty-Five Thousand Dollars (\$25,000.00) will be distributed to PAGA Members on a *pro rata* basis based on the total number of Pay Periods worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Penalties regardless of their decision to opt-out of the Class settlement.

47. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members' Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	2,000,000.00
Enhancement Payment:	\$	10,000.00
Class Counsel's Fees:	\$	700,000.00
Class Counsel's Costs:	\$	35,000.00
PAGA Penalties	\$	100,000.00
Settlement Administration Costs:	\$	20,000.00
Estimated Net Settlement Amount	\$	1,135,000.00

48. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the Twenty-Five Percent (25%) portion of the PAGA Penalties allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The

1 respective Pay Periods for each PAGA Member will be divided by the total Pay Periods for all
2 PAGA Members, resulting in the Penalties Ratio for each PAGA Member. Each PAGA
3 Member's Penalties Ratio will then be multiplied by the employee portion of the PAGA Penalties
4 to calculate each PAGA Member's estimated share of the PAGA Penalties. PAGA Members shall
5 receive this portion of their Individual Settlement Payment regardless of whether they opt out of
6 the participation regarding the Class claims.

7 c) Allocation of Individual Settlement Payments: All Individual Settlement
8 Payments will be allocated as follows: Twenty Percent (20%) of each Individual Settlement
9 Payment will be allocated as wages; Forty Percent (40%) shall be allocated as interest; and Forty
10 Percent (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment
11 allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The
12 remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement
13 Administrator.

14 49. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
15 Participating Class Members under this Settlement, as well as any other payments made pursuant
16 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
17 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
18 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
19 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
20 affect any rights, contributions, or amounts to which any Class Members may be entitled under
21 any benefit plans.

22 50. Settlement Administration Process: The Parties agree to cooperate in the
23 administration of the Settlement and to make all reasonable efforts to control and minimize the
24 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
25 will provide the following services:

- 26 a) Establish and maintain a Qualified Settlement Fund.
27 b) Calculate the Individual Settlement Payment each Participating Class
28

Member is eligible to receive and the portion of the PAGA Penalties each PAGA Member shall receive.

- c) Translate the Notice from English to Spanish.
- d) Print and mail the Notice in English and Spanish.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Requests for Exclusion, field inquiries from Class Members.
- g) Print and issue Settlement Payment Checks, prepare IRS W-2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- h) Provide declarations and/or other information to the Court as requested by the Parties and/or the Court regarding the settlement administration process.
- i) Provide weekly status reports to counsel for the Parties.
- j) Posting a notice of final judgment online at Settlement Administrator's website.

51. Delivery of the Class List and Tax Rate Information: Within twenty-one (21) calendar days of Preliminary Approval, Defendants will provide the Class List and Tax Rate Information to the Settlement Administrator. This is a material term of the Agreement, and if Defendants fail to comply, Plaintiff shall have the right to void the Agreement.

52. Notice by First-Class U.S. Mail: Within fourteen (14) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

53. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response

Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved and will then perform a single re-mailing. If any Notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendants shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, an Objection, or Workweek dispute to the Settlement.

54. Notice: All Class Members will be mailed a Notice in English and Spanish. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendants during the Settlement Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or Workweek disputes; (h) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.

55. Disputed Information on Notice: Class Members will have an opportunity to dispute the information provided in their Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants' records will be presumed determinative. However, if a Class Member produces evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class

1 Member and the Parties will make the final decision as to the number of eligible Workweeks that
2 should be applied and/or the Individual Settlement Payment to which the Class Member may be
3 entitled. If the Parties do not agree, the dispute will be submitted to the Court.

4 56. Defective Submissions: If a Class Member's Request for Exclusion is defective as
5 to the requirements listed herein, that Class Member will be given an opportunity to cure the
6 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
7 business days of receiving the defective submission to advise the Class Member that his or her
8 submission is defective and that the defect must be cured to render the Request for Exclusion
9 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
10 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
11 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
12 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
13 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
14 untimely.

15 57. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
16 Class settlement must sign and postmark a written Request for Exclusion to the Settlement
17 Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class
18 Member's name, address, telephone number, and the last four digits of the Class Member's Social
19 Security number and/or the Employee ID number and (b) a clear statement requesting to be
20 excluded from the settlement of the Class claims. The date of the postmark on the return mailing
21 envelope receipt confirmation will be the exclusive means to determine whether a Request for
22 Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the
23 Settlement Administrator, who will certify jointly to Class Counsel and Defendants' Counsel the
24 Requests for Exclusion that were timely submitted. All Class Members who do not request
25 exclusion from the Action will be bound by all terms of the Settlement Agreement if the
26 Settlement is granted final approval by the Court. The Request for Exclusion shall not be effective
27 as to the release of claims arising under the PAGA. The Parties agree that there is no right for a
28 PAGA Member to opt out of our object to the PAGA Settlement.

1 58. Defendants' Right to Rescind: If One Hundred (100) or more of the Class
2 Members (rounded to the next whole number) elect not to participate in the Settlement,
3 Defendants may, at their election, rescind the Settlement Agreement and all actions taken in
4 furtherance of it will be thereby null and void. Defendants must meet and confer with Class
5 Counsel prior to exercising this right and must make clear its intent to rescind the Agreement
6 within fourteen (14) calendar days of the expiration of the opt-out period. If Defendants exercise
7 its right to rescind the Agreement, Defendants shall be responsible for all Settlement
8 Administration Costs incurred to the date of rescission.

9 59. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the
10 complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively
11 opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound
12 by all of its terms, including those pertaining to the Released Class Claims, as well as any
13 Judgment that may be entered by the Court if it grants final approval to the Settlement. Class
14 Members who opt-out of the Settlement shall not be bound by such Judgment or release. The
15 names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel
16 for both Plaintiff and Defendants and noted in the proposed Judgment submitted to the Court.

17 60. Objection Procedures: To object to the Settlement, a Participating Class Member
18 must postmark a valid Objection to the Settlement Administrator on or before the Response
19 Deadline. The Objection must be signed by the Participating Class Member and contain all
20 information required by this Settlement Agreement including the employees full name, address,
21 telephone number, the last four digits of their social security number and/or Employee ID number,
22 the name of the case and case number, and the specific reason including any legal grounds for the
23 Participating Class Member's objection. The postmark date will be deemed the exclusive means
24 for determining that the Notice of Objection is timely. Participating Class Members who fail to
25 object in the manner specified above will be foreclosed from making a written objection, but shall
26 still have a right to appear at the Final Approval Hearing in order to have their objections heard
27 by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise
28 encourage Participating Class Members to submit written objections to the Settlement or appeal

1 from the Order and Judgment. Class Counsel will not represent any Class Members with respect
2 to any objections to this Settlement.

3 61. Certification Reports Regarding Individual Settlement Payment Calculations: The
4 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report
5 which certifies: (a) the number of Class Members who have submitted valid Requests for
6 Exclusion; (b) the number of Notices returned and re-mailed; and (c) whether any Class Member
7 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
8 Administrator will provide to Counsel for both Parties any updated reports regarding the
9 administration of the Settlement Agreement as needed or requested.

10 62. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
11 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
12 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
13 or her Settlement Check or PAGA payment check within one hundred eighty (180) days, the
14 uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of
15 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et*
16 *seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash
17 their checks until such time that they claim their property. The Parties agree that this disposition
18 results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net
19 Settlement Amount will be paid out to Participating Class Members and PAGA Members,
20 whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore,
21 Defendant will not be required to pay any interest on such amounts. The Individual Settlement
22 Payments provided to Participating Class Members and to PAGA Members shall prominently
23 state the expiration date or a statement that the Settlement Check will expire in one hundred eighty
24 (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual
25 Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for
26 good cause and as mutually agreed by the Parties in writing. The Parties agree no unclaimed funds
27 will result from the Settlement, and therefore Defendants will not be required to pay any interest
28 on such amounts.

63. Administration of Taxes by the Settlement Administrator: The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

64. Tax Liability: Defendants make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendants' share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants' FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

65. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such

limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

66. No Prior Assignments: The Parties and their Counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

67. Release by Participating Class Members: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendants, Participating Class Members shall fully and finally release and discharge the Released Parties from the Released Class Claims that arose during the Class Period. This release shall be binding on all Participating Class Members.

68. Release by the State of California and LWDA: As of the date on which Defendants fully fund the Settlement, Plaintiff, the LWDA, and the State of California release the Released Parties of and from the Released PAGA Claims that could have been asserted under PAGA based on the facts alleged in the PAGA Notice provided to the LWDA and in the operative Complaint. A copy of this Agreement will be provided to the LWDA concurrently with submission of the Preliminary Approval Motion. Eligible PAGA Members will receive their share of the employee portion of the PAGA Penalties and will be deemed to have released any claims arising out of PAGA, regardless of whether they opt-out from the release of their Class claims.

69. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross Settlement Amount, Plaintiff Hernandez agrees—on behalf of himself only—to the additional following General Release: In consideration of Defendants’ promises and agreements as set forth herein, Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims and Released PAGA Claims and any and all claims whatsoever Plaintiff may have against Released Parties regarding Plaintiff’s employment and/or the termination of employment including, but not limited to, any claims for wages, penalties, bonuses, business related expenses, severance pay, vacation pay, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public

1 policy, or damages of any kind whatsoever, arising out of any common law torts, contracts,
2 express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge,
3 any theory of negligence, any theory of retaliation, any legal restriction on any Defendants' right
4 to terminate the employment relationship, or any federal, state, or other governmental statute,
5 executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the
6 fullest extent provided by law. Plaintiff shall be deemed to have, and by operation of the Judgment
7 shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions,
8 rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision
9 under federal or state law that purports to limit the scope of a general release. Plaintiff, for himself,
10 has read Section 1542 of the Civil Code of the State of California, which provides as follows:

11 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
12 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
13 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
14 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
15 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
16 DEBTOR OR RELEASED PARTY.

17 Plaintiff understands that Section 1542 gives the right not to release existing claims of
18 which he is not now aware, unless Plaintiff voluntarily chooses to waive this right. Having been
19 so apprised, Plaintiff nevertheless voluntarily waives his rights described in Section 1542, and
20 elect to assume all risks for claims that now exist in his favor, known or unknown. This release
21 specifically excludes claims for unemployment insurance, disability, social security, and workers
22 compensation (with the exception of claims arising pursuant to California Labor Code Sections
23 132(a) and 4553).

24 70. Neutral Employment Reference: In the event that any potential or future employers
25 of Plaintiff request a reference regarding Defendants' employment of Plaintiff, Defendants shall
26 not refer to the Action or this Settlement. This provision applies only to requests for employment
27 reference directed to Defendants.

28 71. Nullification of Settlement Agreement: In the event that: (a) the Court does not

finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendants, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail to approve this Settlement for any reason, the Parties agree that they will return to and attend mediation with a mutually agreed Mediator in an effort to reach a settlement that may be approved by the Court.

72. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only; (b) Preliminary Approval of the proposed Settlement Agreement; and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit A. Defendants agree that they will not oppose Plaintiff's Motion for Preliminary Approval except to correct any material misrepresentations or mischaracterizations in Plaintiff's Motion. Class Counsel further agrees that it/she/he will provide all necessary notices to the LWDA of the settlement concurrently with Plaintiff's Motion for Preliminary Approval. Any failure by the Court to fully and completely approve the Agreement as to the Action will result in this Settlement Agreement entered into by the Parties, and all obligations under this Settlement Agreement being nullified and voided.

73. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the deadlines to postmark Requests for Exclusion, Objections to the Settlement Agreement, or Workweek disputes, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the Attorneys'

Fees and Costs; (c) the Class Representative Incentive Payment; and (d) the Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the effect of modifying material terms of this Agreement or preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all obligations under this Agreement being null and void. Defendants agree they shall not oppose the granting of the Motion for Final Approval except to correct any material misrepresentations or mischaracterizations in Plaintiff's Motion.

74. Court Approval: If the Court fails to approve this Settlement for any reason, the Parties agree to attend mediation again in an effort and cooperate in good faith to reach a settlement approved by the Court. However, if ultimately after submitting the settlement for approval to the Court as set forth in the Settlement Agreement, any Court declines to enter the preliminary approval order, the final approval order, or judgment in substantially the form submitted by the Parties, or if the Stipulation of Settlement as agreed does not become final because of appellate court action, the terminating Party shall give to the other Party (through its/her/their counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.
- b. In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any party, Class Member, the State of California, PAGA Member or attorney.
- c. The preliminary approval order, final approval order and judgment shall be vacated.
- d. The Stipulation of Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.

e. Except as otherwise discoverable, the Settlement Agreement, nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in this action or any other action for any purpose whatsoever.

f. Plaintiff shall destroy all documents produced by Defendants pursuant to the Parties' agreement to exchange pre-mediation discovery.

75. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

76. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibit(s), which are incorporated by this reference as though fully set forth herein. Any Exhibit(s) to this Settlement are an integral part of the Settlement.

77. Entire Agreement: This Settlement Agreement and any attached Exhibit(s) constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

78. Amendment or Modification: Subject to the Court's approval, this Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

79. Binding on Successors and Assigns: This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

80. California Law Governs: All terms of this Settlement Agreement and Exhibit(s) hereto will be governed by and interpreted according to the laws of the State of California.

81. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more

counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

82. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

83. Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

84. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

85. Class Action Certification for Settlement Purposes Only: The Parties agree to stipulate to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendants are liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

86. Non-Admission of Liability: The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, they

have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

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

88. Waiver: No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

89. Dispute About Terms: Should a dispute arise about the terms of this Agreement, such disputes shall be submitted to Marc Feder, Esq. for consultation.

90. Enforcement Action: In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

91. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared

1 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
2 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

3 92. Representation By Counsel: The Parties acknowledge that they have been
4 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
5 and that this Agreement has been executed with the consent and advice of counsel and reviewed
6 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
7 Agreement.

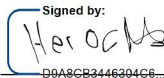
8 93. All Terms Subject to Final Court Approval: All amounts and procedures described
9 in this Settlement Agreement herein will be subject to final Court approval.

10 94. Cooperation and Execution of Necessary Documents: The Parties agree to
11 cooperate to promote participation in the Settlement, and in seeking court approval of the
12 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
13 Members to opt out of and/or object to the Settlement. Defendants agree not to obtain waivers or
14 *Pick-Up Stix* agreements from the Class Members during the Settlement approval process and
15 will work in good faith to reach an agreement approved by the Court. Defendants further agree
16 that they will not oppose Plaintiff's motion for preliminary approval and/or motion for final
17 approval, so long as the motion for preliminary approval and/or motion for final approval are
18 entirely consistent with the terms of this Settlement Agreement.

19 95. Confidentiality: Plaintiff and Class Counsel will not make any public disclosure
20 of the Settlement until after the filing of the motion for preliminary approval of the Settlement.
21 Plaintiff and his counsel represent that they have not made any such disclosure. Plaintiff and Class
22 Counsel shall not encourage members of the Settlement Class to opt-out or object, or any PAGA
23 Members to intervene or object. Class Counsel will take all steps necessary to ensure that Plaintiff
24 is aware of, and will encourage him to adhere to, the restriction against any public disclosure of
25 the Settlement until after the Settlement is preliminarily approved by the Court. Thereafter, Class
26 Counsel and named Plaintiff agrees not to publicize the terms of this Settlement via any medium,
27 including but not limited to, any newspaper, journal, magazine, website, online reporter of
28 settlements, social media, and/or direct mail.

96. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

DATED: 1/30/2025

Signed by:


Plaintiff Hector Martinez

DATED: _____

Defendant SDP

Name: _____

Title: _____

DATED: _____

Defendant College Works ISM, Inc.

Name: _____

Title: _____

DATED: _____

Defendant College Works Painting, Inc.

Name: _____

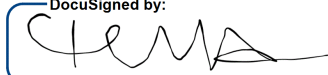
Title: _____

96. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

DATED: _____

Plaintiff Hector Martinez

DATED: 1-30-2025

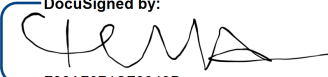
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Defendant SDP

Name: Tracy Meneses

Title: Treasurer

DATED: 1-30-2025

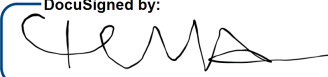
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Defendant College Works ISM, Inc.

Name: Tracy Meneses

Title: Treasurer

DATED: 1-30-2025

DocuSigned by:

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Defendant College Works Painting, Inc.

Name: Tracy Meneses

Title: Treasurer

1 DATED: 1-30-2025

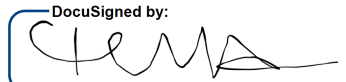
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Defendant CWPNC, Inc.

2 Name: Tracy Meneses

3 Title: Treasurer

4
5
6 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPAUS, Inc.

7
8 Name: Tracy Meneses

9 Title: Treasurer

10
11 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPCC, Inc.

12
13 Name: Tracy Meneses

14 Title: Treasurer

15
16
17 DATED: 1-30-2025

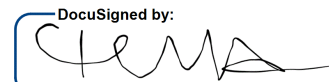
DocuSigned by:

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Defendant EMPFL, LLC

18
19 Name: Tracy Meneses

20 Title: Manager

21
22
23 DATED: 1-30-2025

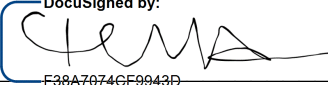
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24 Defendant EMPIE, Inc. dba Empire Works
Reconstruction and Painting

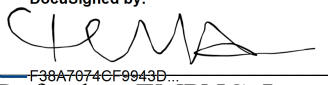
25 Name: Tracy Meneses

26
27 Title: Treasurer

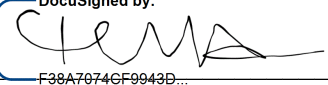
1 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPJAX, LLC
Tracy Meneses, on behalf of
Name: EMPFL, LLC
Title: EMPFL, LLC, Manager

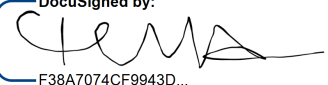
6 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPNC, Inc.
Name: Tracy Meneses
Title: Treasurer

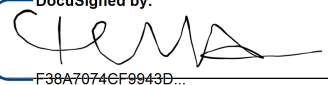
12 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPPBI, LLC
Tracy Meneses, on behalf
Name: of EMPFL, LLC
Title: EMPFL, LLC, Manager

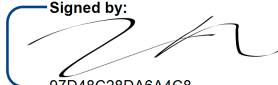
18 DATED: 1-30-2025

DocuSigned by:

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Defendant EMPSP, Inc.
Name: Tracy Meneses
Title: Treasurer

24 DATED: 1-30-2025

DocuSigned by:

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Defendant MJP Empire, Inc.
Name: Tracy Meneses
Title: Treasurer

1 DATED: 1/30/2025
2

Signed by:

97D48C28DA6A4C8...
Defendant National Services Group, Inc.

3 Name: Jason Reid

4 Title: Chief Executive Officer
5

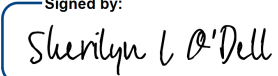
6 Approved as to Form:
7

8 PROTECTION LAW GROUP, LLP
9

10 DATED: _____
11

Heather Davis
Amir Nayebdadash
Susan Huerta
Brendan J. Burton
Shadi Sahebghalam
Attorneys for Plaintiff
HECTOR MARTINEZ
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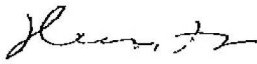
19 DATED: 1/30/2025
20

Signed by:

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Sherilyn Learned O'Dell
Attorneys for Defendants
SDP, EMPIRE COMMUNITY PAINTING
MANAGEMENT, INC., COLLEGE WORKS ISM,
INC., COLLEGE WORKS PAINTING, INC.,
CWPNC, INC., EMPAUS, INC., EMPCC, INC.,
EMPFL, LLC., EMPIE, INC. d.b.a. EMPIRE
WORKS RECONSTRUCTION AND PAINTING,
EMPIE, INC., EMPJAX, LLC, EMPNC, INC.,
EMPPBI, LLC, EMPSD, INC., MJP EMPIRE, INC.,
and NATIONAL SERVICES GROUP, INC.
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4 **Approved as to Form:**
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6 **PROTECTION LAW GROUP, LLP**

7
8 **DATED:** 1/30/2025 _____

9 

10 Heather Davis
11 Amir Nayebdadash
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15 HECTOR MARTINEZ
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18 **DATED:** _____

19 _____
20 Sherilyn Learned O'Dell
21 *Attorneys for Defendants*
22 SDP, EMPIRE COMMUNITY PAINTING
23 MANAGEMENT, INC., COLLEGE WORKS ISM, INC.,
24 COLLEGE WORKS PAINTING, INC., CWPNC, INC.,
25 EMPAUS, INC., EMPCC, INC., EMPFL, LLC., EMPIE,
26 INC. d.b.a. EMPIRE WORKS RECONSTRUCTION AND
27 PAINTING, EMPIE, INC., EMPJAX, LLC, EMPNC, INC.,
28 EMPPBI, LLC, EMPSD, INC., MJP EMPIRE, INC., and
NATIONAL SERVICES GROUP, INC.