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

JUAN TAGLE on behalf of himself and all
others similarly situated,

Plaintiff,

v.

BREK MANUFACTURING, CO., a
California Corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. 20STCV45011

Assigned for all purposes to:
The Hon. Elihu M. Berle
Dept.: SSC-6

**STIPULATION RE: CLASS ACTION
SETTLEMENT**

Action Filed: November 24, 2020
Trial Date: None Set

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8 Attorneys for Defendant BREK MANUFACTURING, CO.

1 This Stipulation Re: Class Action Settlement (hereinafter “Stipulation”) is made and
2 entered into by and between Plaintiff Juan Tagle (“Plaintiff”), individually and on behalf of
3 Participating Settlement Class Members, and Defendant Brek Manufacturing, Co. (“Defendant”).
4 Plaintiff and Defendant are collectively referred to herein as the “Parties” and each a “Party.”

5 This Stipulation shall be binding on Plaintiff, Participating Settlement Class Members,
6 PAGA Group Members and Defendant subject to the terms and conditions hereof, including
7 Final Approval of the Settlement by the Court and this Stipulation becoming Effective as defined
8 below.

9 **THE PARTIES STIPULATE AND AGREE AS FOLLOWS:**

10 1. On or about November 24, 2020, Plaintiff filed the instant class action lawsuit
11 against Defendant; and then he filed his First Amended Complaint (“FAC”) on April 29, 2021
12 (to add a claim under the PAGA), alleging the following seven (7) causes of action against
13 Defendant: (1) failure to pay all wages; (2) failure to provide meal periods or compensation in
14 lieu thereof; (3) failure to provide rest breaks or compensation in lieu thereof; (4) failure to
15 provide accurate wage statements; (5) waiting time penalties; (6) violation of the Unfair Business
16 Competition Law; and (7) violation of Labor Code § 2699, *et seq.* (the “Action”). Through the
17 Action, Plaintiff seeks damages, including alleged owed wages, penalties, interest, restitution,
18 attorneys’ fees and costs.

19 2. On February 8, 2021, Plaintiff submitted his Labor Code § 2699.3 notice to the
20 LWDA. (“PAGA Notice”).

21 3. On May 14, 2021, Defendant answered the FAC.

22 4. On January 4, 2022, the Parties mediated the matter with Lynn Frank, Esq.
23 (“Mediator”). During the mediation, the Parties accepted the Mediator’s proposal to resolve this
24 matter. Thereafter, the Parties continued to work diligently to finalize the long-form settlement
25 embodied in this Stipulation Re: Class Action Settlement. (“Stipulation,” “Settlement,” or
26 “Settlement Agreement”).

27 5. Defendant and the Released Parties (defined below) deny that they are liable to
28 Plaintiff, Settlement Class Members and PAGA Group Members for the claims asserted in the

1 Action and expressly deny any wrongdoing whatsoever regarding Settlement Class Members and
2 PAGA Group Members. Neither this Stipulation nor any action taken to carry out its terms may
3 be construed as an admission by Defendant or any of the Released Parties of any fault,
4 wrongdoing, or liability whatsoever, or of the appropriateness of class or collective action
5 certification in this Action, or of the manageability of this action on a PAGA representative basis.

6 6. Plaintiff alleged and continues to allege that the claims asserted in the Action have
7 merit. Neither this Stipulation nor any action taken to carry out its terms may be construed as an
8 admission by Plaintiff that his claims lack merit.

9 7. For purposes of this Settlement, there shall be a class consisting of “all non-
10 exempt hourly employees employed by Defendant in the State of California between November
11 24, 2016 through the date of preliminary approval of this settlement, or March 7, 2022, whichever
12 is earlier. (the “Settlement Class” or “Settlement Class Member(s),” and the “Class Period,”
13 respectively). Defendant has represented that the class consists of approximately 250 Settlement
14 Class Members and approximately 40,000 workweeks worked by Settlement Class Members
15 during the Class Period.

16 8. For purposes of this Settlement, PAGA Group Members shall be defined as “all
17 non-exempt hourly employees employed by Defendant in the State of California between
18 February 8, 2020 through the date of preliminary approval of this settlement, or March 7, 2022,
19 whichever is earlier. (the “PAGA Group Members,” and the “PAGA Period,” respectively).

20 9. It is the desire of the Parties, and an express, material condition of the Settlement,
21 to fully, finally, and forever settle, compromise, and discharge all Released Class Claims and
22 Released PAGA Claims, as defined below.

23 10. Plaintiff’s counsel, Verum Law Group, APC (collectively, “Class Counsel”), have
24 conducted a thorough investigation into the facts of the Action, including an extensive review of
25 relevant documents, and diligent investigations of the claims against Defendant. Based on Class
26 Counsel’s independent investigation and evaluation, Class Counsel is of the opinion that the
27 Settlement, based on the terms set forth in this Stipulation, is fair, reasonable, adequate and in
28 the best interest of Settlement Class Members in light of all known facts and circumstances,

1 including the risk of significant delay, the risk the class will not be certified by the Court, and the
2 defenses asserted by Defendant. Defendant and its counsel, Morgan, Lewis & Bockius LLP and
3 Much Shelist, P.C. (“Defense Counsel”), also agree that the Settlement is fair, reasonable and
4 adequate.

5 11. The Parties agree to cooperate and take all steps necessary and appropriate to
6 effectuate the Settlement and obtain Final Approval of the Settlement through a judgment.

7 **TERMS OF SETTLEMENT**

8 12. NOW THEREFORE, in consideration of the mutual covenants, promises and
9 agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

10 a. Settlement and Compromise: It is agreed by and among Plaintiff and
11 Defendant that the Action, and all claims alleged in the FAC, or that could have been alleged
12 based on the facts alleged in the FAC, from November 24, 2016 through the date of preliminary
13 approval of this settlement, or March 7, 2022, whichever is earlier, be settled and compromised
14 as between the Settlement Class, Defendant, and the Released Parties subject to the terms and
15 conditions set forth in this Stipulation and Final Approval of the Court. It is also agreed that
16 Plaintiff and the Labor & Workforce Development agency will release the PAGA claims stated
17 in the FAC and the PAGA Notice, from February 8, 2020 to preliminary approval, or March 7,
18 2022, whichever is earlier. The Judgement as to the Released PAGA Claims shall be binding on
19 all PAGA Group Members.

20 b. Final Effective Date: The Settlement shall become effective only when all
21 of the following events have occurred: (i) this Stipulation has been executed by all Parties and
22 by Class Counsel and Defense Counsel; (ii) the Court has given Preliminary Approval to the
23 Settlement; (iii) notice in the form approved by the Court has been given to Class Members,
24 providing them with an opportunity to opt out of the Action; (iv) the Court has held a final
25 approval hearing and entered a Final Order and Judgment certifying the Class and approving this
26 Stipulation (“Final Approval”); and (v) the first court day after the later of the following events
27 has occurred: when the period for filing any appeal, writ or other appellate proceeding opposing
28 the Settlement has elapsed without any appeal, writ or other appellate proceeding having been

1 filed; or any appeal, writ or other appellate proceeding opposing the Settlement has been
2 voluntarily or involuntarily dismissed finally and conclusively with no right to pursue further
3 remedies or relief; or any appeal, writ or other appellate proceeding has upheld the Court's Final
4 Approval with no right to pursue further remedies or relief. In this regard, it is the intention of
5 the Parties that the Settlement shall not become effective until the Court's order approving the
6 Settlement is completely final, and there is no further recourse by an appellant or objector who
7 seeks to contest the Settlement. The date on which the Settlement becomes effective
8 ("Effective") shall be referred to as the "Effective Date."

9 A. Settlement Payments: Defendant will pay a non-reversionary Gross Settlement
10 Amount of One Million Dollars and Zero Cents (\$1,000,000.00) ("Gross Settlement Amount" or
11 "GSA"). The Gross Settlement Amount, includes Defendant's payment of the employer's share
12 of taxes on the Gross Settlement amount allocated to wages paid to Participating Settlement Class
13 Members, which is estimated to be Thirteen Thousand Seven Hundred Ninety-Four Dollars and
14 Sixty-Five cents (\$13,794.65). This is the maximum amount to be paid under the Settlement,
15 and is to be all-inclusive, with the Parties agreeing to the following allocations to be paid from
16 the Gross Settlement Amount, subject to Final Approval of the Court: (1) payments to
17 Participating Settlement Class Members; (2) Class Counsels' attorneys' fees in the amount of up
18 to 1/3 of the Gross Settlement Amount or Three Hundred Thirty-Three Thousand Three Hundred
19 Thirty-Three Dollars and Thirty-Three Cents (\$333,333.33); (3) Class Counsel's costs/expenses
20 (not to exceed Seventeen Thousand Dollars and Zero Cents (\$17,000.00) subject to
21 documentation; (4) settlement administration costs not to exceed Ten Thousand Dollars and Zero
22 Cents (\$10,000.00); (5) Service Award to Plaintiff in the amount of Seven Thousand Five
23 Hundred Dollars and Zero Cents (\$7,500.00); (6) approved payment to the Plaintiff in amount of
24 Ten Thousand Dollars and Zero Cents (\$10,000.00) in exchange for his execution of a general
25 release of known and unknown claims and waiver of Civil Code § 1542 ("General Release
26 Payment"); and (7) portion of the PAGA Payment in the amount of Eighteen Thousand Seven
27
28

1 Hundred Fifty Dollars and Zero Cents (\$18,750.00) paid to the LWDA¹ (categories (2) through
2 (7) inclusive shall be collectively the “Class Settlement Expenses”). The “Net Settlement
3 Amount” shall be the Gross Settlement Amount less the Class Settlement Expenses (“NSA”).
4 Under no circumstances will Defendant be obligated to pay any more than the amounts agreed
5 upon by the Parties and as set forth in this Stipulation.

6 c. Cost of Administration: Settlement Administration Costs shall be used to
7 pay all costs associated with the distribution of the Settlement to Class Members, including
8 expenses incurred during the administration of the Settlement and in issuing tax forms associated
9 with the Settlement.

10 d. Settlement Awards to Participating Settlement Class Members and PAGA
11 Payments to PAGA Group Members: A Settlement Class Member who does not file a timely
12 and proper Opt-Out Request from the Action is a “Participating Settlement Class Member.”
13 There shall be no claims process. All Settlement Class Members, except those who submit a
14 timely Opt-Out Request, shall be bound by the terms and conditions of this Stipulation, including
15 all orders and judgments issued pursuant thereto, as to the Released Class Claims. All PAGA
16 Group Members shall be bound by the Judgment entered by the Court as to the Released PAGA
17 Claims.

18 i. Calculation of Class Settlement Awards: The amount that each
19 Participating Settlement Class Member will be eligible to receive under the Settlement will be
20 calculated by using the quotient derived by total number of workweeks worked by each
21 Participating Settlement Class Member during the Class Period divided by the total number of
22 workweeks worked by all Participating Settlement Class Members during the Class Period who
23

24 ¹ “PAGA Payment” means the payment made hereunder to the California Labor and Workforce
25 Development Agency pursuant to PAGA. Twenty-Five Thousand Dollars and Zero Cents
26 (\$25,000.00) has been allocated to penalties under PAGA, of which Eighteen Thousand Seven
27 Hundred Fifty Dollars and Zero Cents (\$18,750.00) shall be paid by the Settlement Administrator
28 directly to the LWDA. The remaining Six Thousand Two Hundred Dollars and Zero Cents
(\$6,250.00) shall be part of the Net Settlement Amount and shall be distributed to PAGA Group
Members based on the total number of workweeks worked during the PAGA Period.

do not opt out of the Settlement, to be derived from Defendant's records, then multiplied by the Net Settlement Amount.

ii. The settlement amount paid to each Participating Settlement Class Member is the "Individual Settlement Payment." For tax purposes, the Individual Settlement Payments shall be allocated and treated as follows: 20% as wages, and 80% as penalties and interest. The portion of the Individual Settlement Payment designated as wages will have all regular withholding deductions taken and will be issued via IRS Form W-2 by the Settlement Administrator. The portion of the Individual Settlement Payment designated as penalties and interest will not have any deductions taken and will be issued via IRS Form 1099 by the Settlement Administrator. The employer's share of payroll taxes due on the portion of the Individual Settlement Payment designated as wages will be deducted from the Gross Settlement Amount.

iii. Calculation of PAGA Payment paid to PAGA Group Members: The amount that each PAGA Group Member will be eligible to receive under the Settlement will be calculated by using the quotient derived by total number of workweeks worked by each PAGA Group Member during the PAGA Period divided by the total number of workweeks worked by all PAGA Group Member during the PAGA Period, to be derived from Defendant's records, then multiplied by the portion of the PAGA Payment allocated and paid to PAGA Group Members.

iv. The portion of the PAGA Payment paid to each PAGA Group Member is the "PAGA Payment." For tax purposes, the PAGA Payment paid to PAGA Group Members shall be allocated and treated as 100% as penalties. The portion of the PAGA Payment paid to PAGA Group Members will not have any deductions taken and will be issued via IRS Form 1099 by the Settlement Administrator.

v. Mailing of Individual Settlement Payments and Related PAGA Payments: Defendant shall fund the Gross Settlement Amount of \$1,000,000.00 within 14-calendar days following final approval of the class settlement in the event no objection to the settlement is filed. In the event an objection is filed, the GSA shall be due and paid within 14-days following the expiration of the period to file an appeal, subject to Court approval. The

Settlement Administrator shall cause the Individual Settlement Payments and PAGA Payments to be mailed in the form of a check (“Check”) to Participating Settlement Class Members and PAGA Group Members within fifteen (15) calendar days from the receipt of the funds from Defendant. In addition, the Settlement Administrator shall pay Class Counsel’s Attorneys’ Fees and Costs, and the Plaintiff’s Service Award and General Release Payment within fifteen (15) calendar days from the receipt of the funds from Defendant.

e. Right of Class Members to Object or Request Exclusion from the Action: Settlement Class Members have sixty (60) calendar days (as indicated by post-marks) from the original date of mailing of the Class Notice, as defined below, to request exclusion from the Action.

i. Objections to the Settlement: Only Participating Settlement Class Members may object to the Settlement. To object, a Participating Settlement Class Member may *either* (a) have sixty (60) calendar days (as indicated by post-marks) from the original date of mailing of the Class Notice, as defined below, to submit a written objection stating why s/he objects to the Settlement, *or* (b) s/he may appear at the Final Approval Hearing to discuss his/her objection(s) with the Court and the Parties at the Participating Settlement Class Member’s own expense as set forth in the Class Notice. If the Participating Settlement Member elects to submit a written objection, the written objection should state all objections s/he wishes to assert and the complete factual basis therefore. Class Counsel and Defense Counsel may, at least ten (10) days (or some other number of days as the Court shall specify) before the Final Approval Hearing, file responses to any written objections submitted.

ii. Exclusions from the Action: Settlement Class Members shall have sixty (60) calendar days (as indicated by post-marks) from the original date of mailing of the Class Notice, as defined below, to submit a valid Opt-Out Request. An Opt-Out Request must be timely, made in writing, signed by the Class Member seeking exclusion from the Action, and transmitted to the Settlement Administrator. The Opt-Out Request must state in substance:

“I have read the Class Notice and I wish to opt out of the Action
and the settlement of the case, “*Tagle v. Brek Manufacturing Co.*”

1 The Opt-Out Request must contain the name, address, and last four digits of the Social Security
2 Number of the Settlement Class Member requesting exclusion. The Opt-Out Request must be
3 completed by the Settlement Class Member seeking exclusion from the Action and cannot be
4 submitted on a group or representative basis. No other person may opt out for a Settlement Class
5 Member. Any Settlement Class Member who properly opts out of the Action using this
6 procedure will not be entitled to the Individual Settlement Payments hereunder and will not be
7 bound by the Settlement as to the Released Class Claims or have any right to object, appeal, or
8 provide comment thereon in a judicial proceeding in connection with this Settlement.

9 f. Attorneys' Fees, Costs and Expenses: Subject to Court approval and/or
10 modification, Defendant agrees to pay, as part of the Gross Settlement Amount, Class Counsels'
11 Fees and Class Counsels' Costs as set forth in Paragraph 17 below. Any portion of the requested
12 fees, costs, or expenses that is not awarded by the Court shall be part of the Net Settlement
13 Amount.

14 g. No Effect on Employee Benefits: Amounts paid to Plaintiff or other
15 Settlement Class Members pursuant to this Agreement shall be deemed not to be pensionable
16 earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee
17 benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Plaintiff or Settlement Class
18 Members.

19 h. Service Award and General Release Payment to Plaintiff: Subject to Court
20 approval, Defendant agrees to pay as part of the Gross Settlement Amount a service award to the
21 Plaintiff that shall not exceed Seven Thousand Five Hundred Dollars (\$7,500.00) ("Service
22 Award") in consideration for the monetary risks assumed with pursuing the Action against
23 Defendant, his assistance to Class Counsel, and his participation as the class representative. In
24 addition, and subject to Court approval, Defendant agrees to pay as part of the Gross Settlement
25 Amount a payment to Plaintiff for his execution of a general release and waiver of Civil Code §
26 1542 as to Defendant in an amount not exceed Ten Thousand Dollars (\$10,000.00) ("General
27 Release Payment"). The General Release Payment includes the release of non-wage related
28 claims that Plaintiff may have against Defendant. Defendant will not object to the application

1 for the Plaintiff's Service Award and General Release Payment in these amounts. It is understood
2 that the Plaintiff's Service Award and General Release Payment is in addition to the Plaintiff's
3 entitlement to his Individual Settlement Payment. Any portion of the requested Service Award
4 and General Release Payment that is not awarded by the Court shall be part of the Net Settlement
5 Amount. If required by the Settlement Administrator, Plaintiff shall provide the Settlement
6 Administrator with completed IRS Form W-9.

7 i. Tax Treatment: The Settlement Administrator will issue Form
8 1099-MISC to Plaintiff for his Service Award and General Release Payment, and Plaintiff will
9 be responsible for paying any taxes on the amount received.

10 ii. Payment Date: The Settlement Administrator will pay Plaintiff's
11 Service Award and General Release Payment approved by the Court from the Gross Settlement
12 Amount to Plaintiff on the same date Participating Settlement Class Members are sent their
13 Checks.

14 i. Returned, Uncashed Checks and Unclaimed Funds: Settlement checks
15 issued to Settlement Class Members and PAGA Group Members will expire one hundred and
16 eighty (180) days from the date they are issued by the Settlement Administrator. The void date
17 of all settlement checks issued to Class Members and PAGA Group Members shall be stated on
18 the checks. Any check not cashed within 180 calendar days will be void. The Settlement
19 Administrator will provide the Parties with a report of uncashed checks. The money from the
20 uncashed checks, plus any interest accrued thereon, shall be distributed by the Settlement
21 Administrator to the California State Controller's Office Unclaimed Property Fund in the name
22 of the Class Member or PAGA Group Member.

23 j. Opt-Out Deficiencies: Any Opt-Out request that is not postmarked by the
24 Response Deadline, does not contain the required statement, is not signed by the Settlement Class
25 Member, or does not contain the name and address of the Settlement Class Member will be
26 invalid. If the Settlement Administrator determines that an Opt-Out request returned by a
27 Settlement Class Member before the Response Deadline is deficient, then the Settlement
28 Administrator shall mail a deficiency letter to that Settlement Class Member identifying the

1 problem. If a Settlement Class Member submits both a dispute and an Opt-Out request, the
2 Settlement Administrator shall make reasonable attempts to clarify as if the Opt-Out request were
3 deficient. If the Settlement Class Member fails to cure the deficiency, the Opt-Out request shall
4 be disregarded and the claim will be paid, and the Settlement Class Member will become bound
5 by the judgment. Those Settlement Class Members who do not timely Opt-Out will be bound by
6 the Judgment as to the Released Class Claims.

7 k. Defendant's Right to Withdraw: In the event: (a) ten percent (10%)
8 or more of the Settlement Class Members submit a timely and valid Opt-Out, Defendant shall
9 have the sole and absolute discretion to withdraw from this Agreement within ten (10) calendar
10 days after the Response Deadline by providing written notice of such withdrawal to Class
11 Counsel; or (b) if Defendant is required to pay more than the GSA; or (c) if the Court does not
12 approve the Settlement, Defendant may at its own election withdraw from the Settlement. In the
13 event that Defendant elects to withdraw as set forth in this provision, the withdrawal shall have
14 the same effect as a termination of this Agreement for failure to satisfy a condition of Settlement
15 and the Agreement shall become null and void and have no further force or effect, except for the
16 provisions of this Agreement providing for expressions of non-liability and confidentiality. If
17 Defendant chooses to terminate this Agreement under this provision due to (a) above, it shall be
18 responsible to pay the Settlement Administration Costs incurred by the Settlement Administrator.
19 If Defendant chooses to terminate this Agreement under this provision due to (b) or (c) above,
20 Plaintiff and Defendant shall equally be responsible to pay the Settlement Administration Costs
21 incurred by the Settlement Administrator.

22 l. Disputes Regarding Individual Settlement Payments and PAGA
23 Payments: Settlement Class Members and PAGA Group Members may dispute their weeks
24 worked if they believe they worked more weeks in the Class Period or PAGA Period than
25 Defendant's records show by submitting information to the Settlement Administrator postmarked
26 no later than sixty (60) days after being mailed the Notice Packet by the Settlement
27 Administrator, which is the defined Response Deadline. The Settlement Administrator will
28 jointly work with Plaintiff and Defendant to resolve the dispute in good faith. If Plaintiff and

1 Defendant cannot agree over the work weeks to be credited, the Settlement Administrator shall
2 make the final decision based on the information presented by the Settlement Class Member and
3 Defendant.

4 **SETTLEMENT ADMINISTRATION**

5 13. The Parties have agreed to use a duly-qualified settlement administrator, Phoenix
6 Settlement Administrators (“Phoenix” or “Settlement Administrator”) for the settlement
7 administration. Class Counsel have obtained a quote from Phoenix, and the Parties have agreed
8 that the costs of administration will not exceed Ten Thousand Dollars (\$10,000.00).

9 14. Upon receipt of the NSA from Defendant to compensate all Participating
10 Settlement Class Members and PAGA Group Members, the Settlement Administrator will issue
11 and mail the Individual Settlement Payments and PAGA Payments to the Participating
12 Settlement Class Members and PAGA Group Members. The Settlement Administrator shall post
13 the Order and Judgment on the Settlement Administrator’s website
14 (<http://www.phoenixclassaction.com/class-action-lawsuits/judgments/>) within seven (7)
15 calendar days after entry of Order and Judgement. The Settlement Administrator shall post a
16 copy of the signed judgment for one hundred eighty (180) calendar days on its website in
17 compliance with Rule 3.771(b) of the California Rules of Court in order to provide notice to the
18 Class Members of this Judgment. All disputes relating to the Settlement Administrator’s
19 performance of its duties that cannot be resolved by the Parties shall be referred to the Court, if
20 necessary, which will have continuing jurisdiction over the terms and conditions of this
21 Stipulation until all payments and obligations contemplated by this Stipulation have been fully
22 carried out.

23 15. The Settlement Administrator shall be responsible for making sure all payroll
24 related taxes are paid to the appropriate agencies using the Settlement Administrators tax ID
25 numbers, etc.

26 16. The Settlement Administrator shall determine the eligibility for, and the amounts
27 of, each Individual Settlement Payment and PAGA Payments under the terms of this Stipulation.
28 In the event an actual or potential Participating Settlement Class Member or PAGA Group

1 Member disputes the number of workweeks utilized in calculating their Individual Settlement
2 Payment or PAGA Payment, they shall send a written statement signed under penalty of perjury
3 setting forth all facts supporting their claim, any written statements from witnesses supporting
4 the person's claim, and any other supporting evidence to the Settlement Administrator.
5 Participating Settlement Class Members and PAGA Group Members shall have sixty (60)
6 calendar days (as indicated by post-marks) from the original date of mailing of the Class Notice,
7 as defined below, to dispute the number of workweeks. The Settlement Administrator's
8 determination of the eligibility for and amount of each Individual Settlement Payment shall be
9 final and binding upon the Participating Settlement Class Member and the Parties, subject to
10 review by Class Counsel, Defense Counsel and the Court. In the absence of fraud or gross
11 negligence, Defendant's records shall be given the presumption of accuracy.

12 **ATTORNEYS' FEES AND COSTS**

13 17. Subject to Class Counsel filing an appropriate motion with the Court and subject
14 to Court approval, Class Counsel shall be entitled to receive reasonable attorneys' fees in an
15 amount not to exceed 1/3 of the Gross Settlement Amount (or \$333,333.33). In addition, subject
16 to Class Counsel filing an appropriate motion with the Court and subject to Court approval, Class
17 Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's
18 prosecution of the Action in an amount not to exceed Seventeen Thousand Dollars (\$17,000.00).
19 Defendant agrees not to oppose or object to such requests. This Settlement is not conditioned
20 upon the Court awarding Class Counsel any particular amount in attorneys' fees or costs.

21 18. The amounts set forth above will cover all work performed and all fees, costs, and
22 expenses incurred to date, and all work to be performed and all fees, costs, and expenses to be
23 incurred by Class Counsel in connection with the approval by the Court of this Stipulation, the
24 administration of the Settlement, resolution of any and all appellate matters, and obtaining final
25 disposition of this Action.

26 19. Class Counsel shall provide the Settlement Administrator with a properly
27 completed and signed IRS Form W-9 in order for the Settlement Administrator to process the
28 Class Counsel Fees and Class Counsel Costs approved by the Court. The Settlement

1 Administrator shall issue an IRS Form 1099 to Class Counsel for such fees and costs. Class
2 Counsel shall be solely and legally responsible to pay any applicable taxes on the Class Counsel
3 Fees and Costs.

4 **NOTICE TO CLASS MEMBERS**

5 20. A Notice of Proposed Class Action Settlement (“Class Notice”) substantially
6 similar to the form attached hereto as Exhibit “1,” and as approved by the Court, shall be sent by
7 the Settlement Administrator to Settlement Class Members by first class U.S. mail within twenty
8 (20) days of receipt of the Class Information, defined below, from Defendant, and shall include
9 each Participating Settlement Class Members and PAGA Group Members’ number of
10 compensable workweeks. Before mailing the Class Notice, the Settlement Administrator shall
11 complete a National Change of Address search (“NCOA”) on all addresses contained in the Class
12 Information. In addition, any returned envelopes from this mailing with forwarding addresses
13 will be utilized by the Settlement Administrator to forward the Class Notice to the Settlement
14 Class Members within 3-business days of receipt. If no forwarding address is provided, the
15 Settlement Administrator shall promptly attempt to determine a correct address using a skip-
16 trace, computer, or other search using the name, address, and/or social security number of the
17 Settlement Class Member involved, and then shall perform a re-mailing. Settlement Class
18 Members who receive a re-mailed Class Notice shall have an additional sixty (60) calendar days
19 (as indicated by post-marks) from the date the Class Notice was re-mailed to respond (i.e., to
20 submit a written objection, to submit a valid Opt-Out Request, or to dispute the number of
21 workweeks). In addition, due to recent social distancing procedures for attendance at hearings
22 and review of court files, the Class Notice shall include a copy of the following documents: (1)
23 Call Center Phone Numbers (available at
24 www.lacourt.org/newsmedia/ui/pdf/CALLCENTERPHONENUMBERSfinal.pdf); and (2)
25 Appear for Your Hearing Remotely (available at <https://www.lacourt.org/lacc/>).

26 21. No later than ten (10) business days after Preliminary Approval of this Settlement
27 by the Court, Defendant shall provide the Settlement Administrator only, in a secured manner,
28 an electronic database, which will list each Settlement Class Member and PAGA Group

1 Member's name, last known address, social security number and the number of workweeks
2 worked during the Class Period and PAGA Period ("Class Information"). The Class Information
3 shall be based on Defendant's records. The Settlement Administrator shall keep the Class
4 Information confidential, unless required by the Court to be reviewed by Class Counsel. The
5 Settlement Administrator will conduct a NCOA search to confirm the most recent address for the
6 Class Members, and, in the event that the current address differs from Defendant's records, will
7 mail the Class Notice to the most recent address available for each Class Member. The
8 Settlement Administrator will provide notice to counsel for the Parties of its intended mailing
9 date at least five (5) business days in advance.

10 22. A returned Class Notice will be forwarded to a new address if available only once
11 per Class Member by the Settlement Administrator. Upon completion of these steps by the
12 Settlement Administrator, the Parties and the Settlement Administrator shall be deemed to have
13 satisfied all obligations to provide the Class Notice to Settlement Class Members.

14 23. Class Counsel shall provide to the Court, at least five (5) days prior to the Final
15 Approval hearing, a declaration by the Settlement Administrator demonstrating due diligence
16 and proof of mailing with regard to the mailing of the Class Notice.

17 **RELEASED CLASS CLAIMS BY THE SETTLEMENT CLASS AND RELEASED**
18 **PAGA CLAIMS BY RELEASING PAGA PARTIES**

19 24. Upon Final Approval of the Settlement by the Court, the Settlement becoming
20 Effective, and after Defendant has fully funded the Settlement: (a) each Participating Settlement
21 Class Member will be deemed to have fully and finally released and discharged Defendant, and
22 all of its current and former agents, officers, members, owners, shareholders, directors, attorneys,
23 partners, employees, including without limitation, its parent, subsidiary, related and affiliated
24 companies, affiliated entities, and owners (the "Released Parties") from the "Released Class
25 Claims." For purposes of this Agreement, the "Released Class Claims" are defined as: all claims
26 alleged in the First Amended Complaint, or that could have been alleged based on the facts
27 alleged in the First Amended Complaint, including, but not limited to: (1) failure to pay all
28 wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest

breaks or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; and (6) violation of the Unfair Competition Law, arising under the Labor Code or Wage Order based on the alleged failures set forth in (1) through (6) above; any right or claim for unfair business practices in violation of California Business & Professions Code § 17200 *et seq.* based on the alleged failures set forth in (1) through (6) above; and any violation of the California Labor Code arising from the alleged facts, or those claims that could have been alleged based on the facts alleged in First Amended Complaint, including, without limitation, violation of Sections 200, 201, 202, 203, 204, 218, 218.5, 218.6, 226, 226.3, 226.7, 256, 510, 512, 516, 558, 1174, 1194, 1198, and 2810.5 and their applicable Industrial Welfare Commission Wage Order provisions; and in addition, for Participating Settlement Class Members who cash their Individual Settlement Payments, the release will also include, FLSA claims for (1) the failure to pay overtime wages due under the Fair Labor Standards Act (29 U.S. § 201, *et seq.*); (2) attorney fees and litigation costs incurred to litigate and resolve this Action, and (3) prejudgment interest (“FLSA Claims”); and (b) Plaintiff and the Labor & Workforce Development Agency only (“Releasing PAGA Parties”) will be deemed to have fully and finally released and discharged the Released Parties from the “Released PAGA Claims.” For purposes of this Agreement, the “Released PAGA Claims” are defined as: the PAGA claims stated in the FAC and the PAGA Notice, including but not limited to: Labor Code sections 201, 202, 203, 204, 218, 218.5, 218.6, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1194, 1198, 2698, and 2699 *et seq.* and their applicable Industrial Welfare Commission Wage Order provisions.

25. Participating Settlement Class Members who cash their Individual Settlement Payment checks will release their FLSA Claims. The Class Notice will inform the Settlement Class Members of their right to join the FLSA portion of the Settlement by cashing the check for their Individual Settlement Payment, and that by cashing the check for their Individual Settlement Payment, Settlement Class Members will become Participating Settlement Class Members, bound by the terms of this Stipulation, including the release of the FLSA Claims. Participating Class Members who fail to cash their check and who have not submitted a valid Request for

1 Exclusion, will be bound by the terms of this Stipulation with respect to the Released Class
2 Claims other than the FLSA Claims.

3 26. The Stipulation shall be the full settlement, compromise, release and discharge of
4 the Released Class Claims, and each of them, by each Participating Settlement Class Member,
5 and the Released Parties shall have no further or other liability or obligation to or on behalf of
6 any Participating Settlement Class Member with respect to the Released Class Claims, except as
7 expressly provided herein. The Judgment as to the Released PAGA Claims shall be binding on
8 all PAGA Group Members.

9 **GENERAL RELEASE BY PLAINTIFF**

10 24. Plaintiff hereby fully releases and forever discharges the Released Parties from
11 any and all claims, causes of action, damages, wages, benefits, expenses, penalties, debts,
12 liabilities, demands, obligations, attorney's fees, costs, and any other form of relief or remedy in
13 law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected
14 (exclusive of any workers' compensation claims), including but not limited to: (1) the Action and
15 any claims arising out of or related to the Action; (2) any claims for wrongful termination,
16 discrimination, harassment, and/or retaliation; (3) any act, omission, or occurrence arising out
17 of or related to Plaintiff's employment with Defendant occurring on and before the Final
18 Effective Date of the Settlement; and (4) any other form of relief or remedy of any kind,
19 nature, or description whatsoever, whether premised on statute, contract, tort or other theory of
20 liability under state, federal or local law.

21 25. Plaintiff hereby agrees that, notwithstanding § 1542 of the California Civil Code,
22 all claims that Plaintiff may have, known or unknown, suspected or unsuspected, are hereby
23 released. Section 1542 provides:

24 **“A general release does not extend to claims that the creditor**
25 **or releasing party does not know or suspect to exist in his or**
26 **her favor at the time of executing the release and that, if known**
27 **by him or her, would have materially affected his or her**
28 **settlement with the debtor or released party.”**

1 Plaintiff expressly waives the provisions of § 1542 with full knowledge and with the specific
2 intent to release all known or unknown, suspected or unsuspected claims arising on or before the
3 Effective Date of the Settlement, and therefore specifically waives the provisions of any statute,
4 rule, decision or other source of law of the United States or of any state of the United States or
5 any subdivision of a state which prevents release of unknown claims.

6 26. Tax Liability. The Parties make no representations as to the tax treatment or legal
7 effect of the payments called for hereunder, and Settlement Class Members are not relying on
8 any statement or representation by the Parties in this regard. Settlement Class Members
9 understand and agree that they will be responsible for the payment of any employee taxes.
10 Defendant shall be responsible for payment of any employer taxes due on the settlement allocated
11 as wages. Settlement Class Members shall hold Parties free and harmless from and against any
12 claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from any
13 personal tax treatment of the payments made pursuant to this Agreement, including, but not
14 limited to, the treatment of such payments as not subject to withholding or deduction for payroll
15 and employment taxes

16 **DUTIES OF THE PARTIES PRIOR TO FINAL APPROVAL**

17 27. Once this Stipulation has been fully executed by all Parties and counsel, the
18 Parties shall promptly submit this Stipulation to the Court in support of Plaintiff's Motion for
19 Preliminary Approval and determination by the Court as to its fairness, adequacy, and
20 reasonableness. Promptly upon full execution of this Stipulation, the Parties shall apply to the
21 Court for the entry of an order substantially in the following:

22 a. Scheduling a Final Approval hearing on whether the Settlement,
23 including payment of Class Counsels' Fees and Costs, and Plaintiff's Service Award should be
24 finally approved as fair, reasonable, and adequate as to the Participating Settlement Class
25 Members;

26 b. Certifying the Settlement Class for settlement purposes only;

27 c. Approving as to form and content the proposed Class Notice;
28

1 d. Directing the mailing of the Class Notice by the Settlement Administrator
2 by first class U.S. mail, where available, to the Class Members; and

3 e. Preliminarily approving the Settlement subject only to Final Approval by
4 the Court.

5 **DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL**

6 28. Following Final Approval by the Court of this Stipulation and the Settlement set
7 forth therein, Class Counsel will submit a proposed final order and judgment:

8 a. Approving the Settlement, adjudging the terms thereof to be fair,
9 reasonable, and adequate, and consistent with state and federal notions of due process, and
10 directing consummation of its terms and provisions;

11 b. Approving Class Counsel's application for Class Counsel's Fees and
12 Class Counsel's Costs;

13 c. Listing the names of all Settlement Class Members, if any, who have
14 opted-out of the settlement; and

15 d. Approving Plaintiff's Service Award.

16 **PARTIES' AUTHORITY**

17 29. The signatories hereto represent that they are fully authorized to enter into this
18 Stipulation and bind the Parties to the terms and conditions thereof.

19 **MUTUAL FULL COOPERATION**

20 30. The Parties agree to fully cooperate with each other to accomplish the terms of
21 this Stipulation, including but not limited to, execution of such documents and taking such other
22 action as reasonably may be necessary to implement the terms of this Stipulation. The Parties to
23 this Stipulation shall use their best efforts, including all efforts contemplated by this Stipulation
24 and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate
25 this Stipulation and the terms set forth herein. Plaintiff and Class Counsel agree they will not
26 attempt to discourage any Class Member from participating in the Settlement.
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ENFORCEMENT ACTIONS

32. The Court shall have continuing jurisdiction over any enforcement actions. The Parties agree, subject to Court approval, this agreement shall be enforceable under CCP section 664.6 and admissible under California Evidence Code 1123(a). Regardless of any settlement privilege or other rules of evidence, this agreement may be admitted in Court and enforceable.

33. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Sam Kim
Yoonis Han
VERUM LAW GROUP, APC
841 Apollo Street, Suite 340
El Segundo, CA 90245
Telephone: (424) 320-2000
Facsimile: (424) 221-5010

John D. Hayashi
David J. Rashe
MORGAN, LEWIS & BOCKIUS LLP
600 Anton Blvd., Suite 1800
Costa Mesa, CA 92626
Telephone: (949) 399-7000
Fax: (949) 399-7001

34. The Parties hereto agree that the terms and conditions of this Stipulation are the result of lengthy, intensive arms-length negotiations between the Parties, and this Stipulation

1 shall not be construed in favor of or against any Party by reason of the extent to which any Party
2 or his, her, or its counsel participated in the drafting of this Stipulation.

3 **CAPTIONS AND INTERPRETATIONS**

4 35. Paragraph titles or captions contained herein are inserted as a matter of
5 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
6 Stipulation or any provision hereof. Each term of this Stipulation is contractual and not merely
7 a recital.

8 **MODIFICATION**

9 36. This Stipulation may not be changed, altered, or modified, except in writing and
10 signed by the Parties hereto and also approved by the Court. This Stipulation may not be
11 discharged except by performance in accordance with its terms or by a writing signed by the
12 Parties hereto. Without further order of the Court, the Parties hereto may agree in writing to
13 reasonable extensions of time to carry out any of the provisions of the Settlement.

14 **INTEGRATION CLAUSE**

15 37. This Stipulation contains the entire agreement between the Parties relating to the
16 settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
17 understandings, representations, and statements, whether oral or written and whether by a Party
18 or such Party's legal counsel, are merged herein. However, in the event of any disagreement as
19 to the form or substance of this Stipulation, the Parties' Memorandum of Understanding dated
20 January 4, 2022 shall be considered instructive. No rights hereunder may be waived except in
21 writing. Nothing in this Agreement shall modify, alter, cancel or supersede any of the
22 confidentiality obligations owed by Plaintiff and Settlement Class Members, including those
23 obligations provided in Defendant's Code of Conduct.

24 **BINDING ON ASSIGNS**

25 38. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto
26 and their respective heirs, trustees, executors, administrators, successors and assigns.
27
28

1 **ESCALATOR PROVISION**

2 39. If the total number of Settlement Class Members increases during the Class Period
3 by more than 10% of the 250 Settlement Class Members (i.e. more than 25 additional Settlement
4 Class Members) or more than 10% of the 40,000 workweeks (i.e. more than 4,000 additional
5 workweeks), then Defendant will have the option to either (i) pay an adjusted pro-rata settlement
6 amount to reflect the increased number of Settlement Class Members and/or workweeks beyond
7 original estimates of 250 class members and 40,000 workweeks, (ii) shorten the Class Period
8 such that there is not an increase of more than 10%, or (iii) terminate the Settlement.

9 **CONFIDENTIALITY PROVISION**

10 40. Plaintiff and his Counsel agree not to disclose the terms of this settlement except
11 in court papers or if required by legal process. Plaintiff and his Counsel shall not issue a press
12 release, hold a press conference, publish information about the settlement on any website, or
13 otherwise publicize the settlement, except as otherwise required by the Settlement Administrator
14 to post the judgment and order on its website. Plaintiff and his Counsel agree not to respond to
15 any press inquiries except to refer reporters to the papers filed with the Court.

16 **CLASS COUNSEL SIGNATORIES**

17 41. It is agreed that because Participating Settlement Class Members are so
18 numerous, it is impossible or impractical to have each Participating Settlement Class Member
19 execute this Stipulation. The Class Notice will advise Class Members of the binding nature of
20 the release, and the release shall have the same force and effect as if this Stipulation were
21 executed by Participating Settlement Class Members.

22 **COUNTERPARTS**

23 42. This Stipulation may be executed in counterparts, and when each Party has signed
24 and delivered at least one such counterpart, each counterpart shall be deemed an original, and,
25 when taken together with other signed counterparts, shall constitute one Stipulation, which shall
26 be binding upon and effective as to all Parties. A legible, faxed, and scanned copy/pdf may be
27 used as an original for all purposes.
28

1 **DEADLINES FALLING ON WEEKENDS OR HOLIDAYS**

2 43. To the extent that any deadline set forth in this Stipulation falls on a Saturday,
3 Sunday, or legal holiday, that deadline shall be continued until the following business day.

4 **EFFECT OF NON-APPROVAL**

5 44. In the event that this Settlement does not gain Final Approval of the Court or does
6 not become Effective, for any reason, all matters covered by this Settlement shall be void *ab*
7 *initio*. In such event, nothing in this Stipulation or any draft thereof, or any of the other related
8 documents or drafts thereof, or of the discussion, negotiation, documentation, or other part or
9 aspect of the Parties' settlement discussions leading to the execution of this Stipulation shall have
10 any effect, nor shall any such matter be admissible in evidence for any purpose in the Action or
11 in any other proceeding or forum, nor shall any such matter be used or construed by or against
12 any Party as a determination, admission, or concession of any issue of law or fact in this, or any
13 other litigation or proceeding. The Parties do not waive, and instead expressly reserve, their
14 respective rights with respect to the prosecution and defense of the Action as if this Stipulation
15 never existed.

16
17 Dated: February 16, 2022



Juan Tagle, Plaintiff

18
19
20 Dated: February __, 2022

Brek Manufacturing, Co., Defendant

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23 **APPROVED AS TO FORM:**
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1 **DEADLINES FALLING ON WEEKENDS OR HOLIDAYS**

2 43. To the extent that any deadline set forth in this Stipulation falls on a Saturday,
3 Sunday, or legal holiday, that deadline shall be continued until the following business day.

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7 *initio*. In such event, nothing in this Stipulation or any draft thereof, or any of the other related
8 documents or drafts thereof, or of the discussion, negotiation, documentation, or other part or
9 aspect of the Parties' settlement discussions leading to the execution of this Stipulation shall have
10 any effect, nor shall any such matter be admissible in evidence for any purpose in the Action or
11 in any other proceeding or forum, nor shall any such matter be used or construed by or against
12 any Party as a determination, admission, or concession of any issue of law or fact in this, or any
13 other litigation or proceeding. The Parties do not waive, and instead expressly reserve, their
14 respective rights with respect to the prosecution and defense of the Action as if this Stipulation
15 never existed.

16
17 Dated: February __, 2022

Juan Tagle, Plaintiff

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19
20 Dated: February 14, 2022


Brek Manufacturing, Co., Defendant

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23 **APPROVED AS TO FORM:**
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1
2 Dated: February 16, 2022



Sam Kim
Verum Law Group, APC
Attorney for Plaintiff

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7 Dated: February __, 2022

John D. Hayashi
Morgan, Lewis & Bockius LLP
Attorney for Defendant

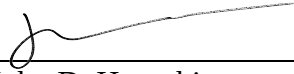
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13 Dated: February __, 2022

Jeff J. Astarabadi
Much Shelist, P.C.
Attorney for Defendant

1
2 Dated: February____, 2022

3 _____
4 Sam Kim
5 Verum Law Group, APC
6 Attorney for Plaintiff

7
8 Dated: February 14, 2022

9 
10 _____
11 John D. Hayashi
12 Morgan, Lewis & Bockius LLP
13 Attorney for Defendant

14
15 Dated: February 14, 2022

16 /s/ Jeff J. Astarabadi
17 _____
18 Jeff J. Astarabadi
19 Much Shelist, P.C.
20 Attorney for Defendant
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Exhibit 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Tagle v. Brek Manufacturing Co.
Los Angeles Superior Court, Case No. 20STCV45011

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT THE RIGHTS OF INDIVIDUALS WHO WORKED FOR BREK MANUFACTURING CO., AT ANY TIME FROM **NOVEMBER 24, 2016 THROUGH MARCH 7, 2022**.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Tagle v. Brek Manufacturing Co.*, Case No. 20STCV45011 filed in the Los Angeles Superior Court (the “Action”). The purpose of this Notice of Proposed Class Action Settlement (“Class Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action against defendant Brek Manufacturing Co. (“Defendant”), subject to Court approval.

A hearing concerning final approval of the proposed Settlement will be held before the Honorable Elihu M. Berle on _____ 2022 at _____ a.m./p.m. in Department SSC-6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement is fair, adequate and reasonable. Due to recent social distancing procedures for attendance at hearings, if you wish to appear at the hearing, you must do so remotely. Additional information on how to appear remotely at the hearing can be found at <https://www.lacourt.org/lacc/>, or in the attached document to this notice. As an individual who worked for Defendant between November 24, 2016 and March 7, 2022, you may be eligible to receive a payment under the Settlement and will be bound by the release of claims described in this Class Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Action.

Who is affected by this proposed Settlement?

Settlement Class Members

All non-exempt hourly employees employed by Defendant in the State of California from November 24, 2016 through March 7, 2022 (“Settlement Class” or “Settlement Class Members”).

PAGA Group Members

All non-exempt hourly employees employed by Defendant in the State of California from February 8, 2020 through March 7, 2022 (“PAGA Group Members”).

According to Defendant’s records, you are a member of the Settlement Class and/or a PAGA Group Member.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SETTLEMENT CLASS MEMBERS WHO WISH TO RECEIVE PAYMENT	Settlement Class Members do not have to do anything to receive an Individual Settlement Payment (defined below). You will be considered a Participating Settlement Class Member. You will be releasing your right to pursue a separate legal action against Defendant for the Released Claims asserted in the Action, as explained more fully below.
SETTLEMENT CLASS MEMBERS WHO WISH TO BE	You have the option to exclude yourself, in writing, from the Settlement. If you submit a valid Opt-Out Request postmarked no

EXCLUDED FROM THE SETTLEMENT CLASS	later than [Date], you will not receive any benefits under the Settlement and you will not be bound the terms of the Settlement.
SETTLEMENT CLASS MEMBERS WHO WISH TO OBJECT	To object to the Settlement, you may write to the Settlement Administrator about why you don't like the Settlement, postmarked no later than [Date], or you may appear at the Final Approval Hearing to object, but you are not required to do so. Due to recent social distancing procedures for attendance at hearings, if you wish to appear at the hearing, you must do so remotely. Additional information on how to appear remotely at the hearing can be found at https://www.lacourt.org/lacc/ , or in the attached document to this notice. This option is available only if you do <u>not</u> exclude yourself from the Settlement.
PAGA GROUP MEMBERS	If you are a PAGA Group Member, you will bound by the Judgment entered by the Court as to the Released PAGA Claims (defined below). You cannot opt out of the portion of the Settlement relating to the settlement of claims under PAGA.

What is this case about?

In the Action, plaintiff Juan Tagle ("Plaintiff"), on behalf of himself and Settlement Class Members, alleged the following claims against Defendant: (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest breaks or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) violation of the Unfair Competition Law. The Action covers the period of time from and between November 24, 2016 through March 7, 2022 ("Class Period"). Plaintiff seeks to recover alleged unpaid wages, statutory penalties, restitution, interest, attorneys' fees and costs in the Action. Additionally, Plaintiff seeks to recover civil penalties on behalf of himself and PAGA Group Members under the Labor Code Private Attorneys General Act ("PAGA") for alleged violations of the California Labor Code from and between February 8, 2020 through March 7, 2022 ("PAGA Period").

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff's claims do not have merit and do not meet the requirements for class certification and cannot be manageably tried in court.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant (the "Settling Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interest of all Settlement Class Members and PAGA Group Members.

The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Settling Parties in the Action are:

Class Counsel
Sam Kim

Yoonis Han
VERUM LAW GROUP, APC
841 Apollo Street, Suite 340
El Segundo, CA 90245
Telephone: (424) 320-2000
Facsimile: (424) 221-5010

Defense Counsel

John D. Hayashi
David J. Rashe
MORGAN, LEWIS & BOCKIUS LLP
600 Anton Blvd., Suite 1800
Costa Mesa, CA 92626
Phone: (714) 830-0600
Fax: (714) 830-0700

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$1,000,000.00 (the “Gross Settlement Amount”), which includes the employer’s share of taxes on the Gross Settlement amount allocated to wages paid to Participating Settlement Class Members, which is estimated to be \$13,794.65, and for: (a) Individual Settlement Payments to Participating Settlement Class Members; (b) the Court approved Service Award payment to Plaintiff in the amount of \$7,500.00 and General Release Payment of \$10,000.00 to Plaintiff for his release and waiver of Civil Code § 1542; (c) the Court approved attorneys’ fees not to exceed \$333,333.33 and reimbursement of costs and expenses not to exceed \$17,000.00 to Class Counsel; (d) the costs of administering the Settlement not to exceed \$10,000.00; and (3) the payment to the Labor & Workforce Development Agency (“LWDA”) in the amount of \$18,750.00 for its share of the PAGA Payment.

Individual Settlement Payments and PAGA Payments. After deductions from the Gross Settlement Amount for attorneys’ fees and costs and expenses, Service Award and General Release Payment to Plaintiff, the costs of administering the Settlement, and payment to the LWDA for its share of the PAGA Payment, there will be a net settlement amount (“Net Settlement Amount”) payable to Participating Settlement Class Members. Each Participating Settlement Class Member who does not submit a valid Opt-Out Request will receive a payment under the Settlement referred to as an Individual Settlement Payment.

The amount that each Participating Settlement Class Member will be eligible to receive under the Settlement will be calculated by using the quotient derived by the total number of workweeks worked by each Participating Settlement Class Member during the Class Period divided by the total number of workweeks worked by all Participating Settlement Class Members during the Class Period using the assigned values below, to be derived from Defendant’s records, then multiplied by the Net Settlement Amount. **Your estimated Individual Settlement Payment is listed below.**

For tax reporting purposes, the Individual Settlement Payments to Participating Settlement Class Members will be allocated 20% as wages and 80% as penalties and interest. The wage portion of the Individual Settlement Payments will be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator will deduct applicable payroll taxes from the wage portion of the Individual Settlement Payments. A W-2 shall be issued for the portion of the Individual Settlement Payments allocated as wages and, to the extent required by law, a 1099 shall be issued for the portion of the Individual Settlement Payments allocated as penalties and interest.

The amount that each PAGA Group Member will be eligible to receive under the Settlement will be calculated by using the quotient derived by total number of workweeks worked by each PAGA Group Member during the PAGA Period divided by the total number of workweeks worked by all PAGA Group Members during the PAGA Period, to be derived from Defendant’s records, then multiplied by the portion of the PAGA Payment allocated and paid to PAGA Group Members in the amount of \$6,250.00. **Your estimated PAGA Payment is listed below.**

All checks for Individual Settlement Payments paid to Participating Settlement Class Members and PAGA Payments to PAGA Group Members will advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and will automatically be void if not cashed by a Settlement Class Member and/or PAGA Group Member within that time.

If an Individual Settlement Payment and/or PAGA Payment check remains un-cashed after one hundred eighty (180) days from issuance, or that is undeliverable, the Settlement Administrator will forward the un-cashed funds, plus any accrued interest, remaining residue, unclaimed or abandoned funds to the California State Controller's Office Unclaimed Property Fund in the name of the Class Member or PAGA Group Member. In such event, the Participating Settlement Class Member will remain bound by the Settlement. PAGA Group Members will be bound by the Judgment as to the Released PAGA Claims.

None of the Settling Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Participating Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Settlement Class Member and/or PAGA Group Member.

Class Counsel's Attorneys' Fees and Costs, Service Award Payment and General Release Payment to Plaintiff, and Settlement Administration Costs. Class Counsel will ask the Court to award attorneys' fees of up to \$333,333.33 (up to 1/3 of the Gross Settlement Amount), and reimbursement of costs incurred in the Action not to exceed \$17,000.00. In addition, Class Counsel will ask the Court to authorize the Service Award payment to Plaintiff in the amount of \$7,500.00, for his efforts in the prosecution of this Action and the General Release Payment of \$10,000.00 to Plaintiff for his release and waiver of Civil Code § 1542. The Settling Parties also estimate the cost of administering the Settlement will not exceed \$10,000.00. As explained above, the amounts awarded by the Court for these items will be deducted from the Gross Settlement Amount.

How much will I receive under the Settlement?

Your Compensable Workweeks and Estimated Individual Settlement Payment: According to Defendant's records, your estimated Individual Settlement Payment is based on the workweeks worked during the Class Period, which is <<Workweeks>>. Based on the number of your compensable workweeks, **your estimated Individual Settlement Payment is <<EstSettPayment>>.** Please note that this is only an estimate; your actual payment may be greater or smaller than the amount reported above.

Your Compensable Workweeks and Estimated PAGA Payment: According to Defendant's records, your estimated PAGA Payment is based on the workweeks worked during the PAGA Period, which is <<Workweeks>>. Based on the number of your compensable workweeks, **your estimated PAGA Payment is <<EstSettPayment>>.** Please note that this is only an estimate; your actual payment may be greater or smaller than the amount reported above.

Procedure for Disputing Information: If you disagree with the number of compensable workweeks stated above, you must send a letter to the Settlement Administrator stating the reasons and supporting evidence why you dispute the number of compensable workweeks and provide any supporting documentation that you have. The information you provide should include the estimated compensable workweeks you claim you performed at any time between November 24, 2016 through March 7, 2022 or at anytime between February 8, 2020 through March 7, 2022.

Participating Settlement Class Members have sixty (60) calendar days (as indicated by post-mark date) from the original date of mailing of this Class Notice, to dispute the number of workweeks. Any disputes and supporting documentation have to be mailed to the Settlement Administrator at the address listed below by First Class U.S. Mail, postmarked no later than November 16, 2021. You may not dispute the number of compensable workweeks stated above in connection with the Individual Settlement Payment if you exercise your right to opt out of the non-PAGA portion of the Settlement.

Tagle v. Brek Manufacturing Co.

[Settlement Administrator

Address]

[City, State Zip, Telephone Number]

If you dispute the number of compensable workweeks stated above, Defendant's records, to the extent available, will be presumed determinative unless you are able to provide documentation to the Settlement Administrator that establishes otherwise. The Settlement Administrator will evaluate the evidence submitted by you and will make the final decision as to the compensable workweeks that should be applied and/or the Individual Settlement Payment/PAGA Payment to which you may be entitled. Such a determination will be final and binding with no opportunity for further appeal, subject to review by Class Counsel, Defendant's Counsel and the Court.

What claims are being released by the proposed Settlement?

Released Class Claims

Upon the Effective Date, Participating Settlement Class Members, who have not submitted a valid Opt-Out Request, shall be deemed to have fully and finally released and discharged Defendant, and all of its current and former agents, officers, members, owners, shareholders, directors, attorneys, partners, employees, including without limitation, its parent, subsidiary, related and affiliated companies, affiliated entities, and owners (the "Released Parties") from the "Released Class Claims," during the Class Period. "Released Class Claims" means "all claims alleged in the First Amended Complaint, or that could have been alleged based on the facts alleged in the First Amended Complaint, including, but not limited to: (1) failure to pay all wages; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to provide rest breaks or compensation in lieu thereof; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; and (6) violation of the Unfair Competition Law, arising under the Labor Code or Wage Order based on the alleged failures set forth in (1) through (6) above; any right or claim for unfair business practices in violation of California Business & Professions Code § 17200 *et seq.* based on the alleged failures set forth in (1) through (6) above; and any violation of the California Labor Code arising from the alleged facts, or those claims that could have been alleged based on the facts alleged in First Amended Complaint, including, without limitation, violation of Sections 200, 201, 202, 203, 204, 218, 218.5, 218.6, 226, 226.3, 226.7, 256, 510, 512, 516, 558, 1174, 1194, 1198, and 2810.5 and their applicable Industrial Welfare Commission Wage Order provisions; and in addition, for Participating Settlement Class Members who cash their Individual Settlement Payments, the release will also include, FLSA claims for (1) the failure to pay overtime wages due under the Fair Labor Standards Act (29 U.S. § 201, *et seq.*); (2) attorney fees and litigation costs incurred to litigate and resolve this Action, and (3) prejudgment interest ("FLSA Claims")" during the Class Period.

Released PAGA Claims

Plaintiff and the Labor & Workforce Development Agency only ("Releasing PAGA Parties") will be deemed to have fully and finally released and discharged the Released Parties from the "Released PAGA Claims." For purposes of this Settlement, the "Released PAGA Claims" are defined as: the PAGA claims stated in the First Amended Complaint and the PAGA Notice submitted by Plaintiff to the Labor & Workforce Development Agency, including but not limited to: Labor Code sections 201, 202, 203, 204, 218, 218.5, 218.6, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1194, 1198, 2698, and 2699 *et seq.* and their applicable Industrial Welfare Commission Wage Order provisions.

All PAGA Group Members will be bound by the Judgment as to the Released PAGA Claims.

What are my options in this matter?

You have three options under this Settlement, each of which is further discussed below. You may: (A) choose to be a Participating Settlement Class Member. You do not need to do anything to be a Participating Settlement Class Member and receive an Individual Settlement Payment; (B) exclude

yourself from the Settlement; or (C) object to the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you don't want to be a part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you (with the exception of the portion of the Settlement releasing claims under PAGA). If you remain in the Settlement Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you remain a Participating Settlement Class Member, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Participate in the Settlement and Receive Payment. You do not need to do anything to participate in the Settlement and receive an Individual Settlement Payment. By remaining a Participating Settlement Class Member and receiving settlement monies, you consent to the release of the Released Class Claims and understand that you will be bound to the Judgment entered by the Court as to the Released PAGA Claims as described above.

OPTION B. Request to Be Excluded from the Settlement. If you do not want to be part of the Settlement, you must submit a valid Opt-Out Request to the Settlement Administrator at [Administrator], P.O. Box _____, [City], [State] [Zip], post-marked by [Date] ("Response Deadline"). In order to be valid, your Opt-Out Request must (1) contain your name, address, and last four digits of your Social Security Number, (2) be completed by you, and (3) be post-marked by [Date], and ultimately received by the Settlement Administrator. The Opt-Out Request must state in substance: "I have read the Class Notice and I wish to opt out of the Action and the settlement of the case: *Tagle v. Brek Manufacturing Co.*" If the Opt-Out Request does not include the required information, and/or is not post-marked by the Response Deadline, the Opt-Out Request will be deemed invalid.

If you do not timely submit a signed Opt-Out Request (as evidenced by the postmark), your Opt-Out Request will be rejected, you will be deemed a Participating Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement.

If you timely submit a signed Opt-Out Request, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Action as to the Released Class Claims, and you will not be entitled to or permitted to object to the Settlement. However, if you are a PAGA Group Member, you will be bound by the Judgment as to the Released PAGA Claims, regardless of whether you submit a valid Opt-Out Request.

OPTION C. Objecting to the Settlement. If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you may *either* (a) submit a written objection stating why you object to the Settlement by [Date], *or* (b) you may appear at the Final Approval Hearing to discuss your objection(s) with the Court and the Settling Parties at your own expense, but you are not required to do so. Additional information on how to appear remotely can be found at <https://www.lacourt.org/lacc/>, or in the attached document to this notice. The written objection must be signed by the Settlement Class Member and must state: (1) the full name of the Settlement Class Member; (2) the mailing address of the Settlement Class Member; and (3) the basis for the objection.

When will the Settlement be distributed?

Defendant will fund the Gross Settlement Amount, to the Settlement Administrator, no later than fourteen (14) calendar days following final approval of the class settlement in the event no objection to the settlement is filed. In the event an objection is filed, the Gross Settlement Amount shall be due and paid within 14-days following the expiration of the period to file an appeal, subject to Court approval. The Settlement Administrator will issue Individual Settlement Payments to Participating Settlement Class Members and PAGA Payments to PAGA Group Members within fifteen (15) calendar days of receipt of the Gross Settlement Amount from Defendant. In addition, the Settlement Administrator shall pay Class

Counsel's Fees, Class Counsel's Costs, and the Plaintiff's Service Award and General Release Payment within fifteen (15) calendar days from the receipt of the funds from Defendant.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, Class Counsel's request for attorneys' fees, costs and expenses, the Service Award Payment and General Release Payment to Plaintiff, and the Settlement Administration Costs, on _____ at 9:00 a.m., in Department SSC-6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued. In the event Final Approval is continued, Settlement Class Members who filed an objection will receive notice of the new hearing date. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment. Due to recent social distancing procedures for attendance at hearings, if you wish to appear at the hearing, you must do so remotely. Additional information on how to appear remotely at the hearing can be found at <https://www.lacourt.org/lacc/>, or in the attached document to this notice.

If the Court grants final approval of the Settlement, the Settlement Administrator will post the Order and Judgment on the Settlement Administrator's website (<http://www.phoenixclassaction.com/class-action-lawsuits/judgments/>) within seven (7) calendar days after entry of Order and Judgment. The Settlement Administrator will post a copy of the signed judgment for one hundred eighty (180) calendar days on its website in compliance with Rule 3.771(b) of the California Rules of Court in order to provide notice to the Class Members of the Judgment.

How can I get additional information?

This Class Notice summarizes the Action and the basic terms of the Settlement. More details regarding the Settlement and its terms are in the Settlement Agreement itself. The Settlement Agreement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Los Angeles Superior Court located at 312 North Spring Street, Los Angeles, CA 90012. You may also access the Agreement online at <https://www.lacourt.org/paonlineservices/pacommerce/login.aspx?appId=IMG&casetype=CIV>

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.