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Attorneys for Plaintiff,
RICHARD MONREAL

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CRUZ

RICHARD MONREAL, on behalf of
himself and all similarly aggrieved
employees,

Plaintiff,

v.

PARADISE ELECTRICAL SERVICES,
INC.; and DOES 1 through 50, inclusive,

Defendants.

Case No. 23CV00078

**DECLARATION OF LAURA L.
FRANKLIN IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: June 13, 2025

Time: 8:30 A.M.

Dept.: 5

Complaint Filed: April 8, 2022

Trial Date: Not Set

1 I, Laura L. Franklin, declare as follows:

2 1. I am an attorney duly admitted to practice in the State of California, and I am
3 with the law firm of Fitzpatrick & Swanston, counsel of record for Plaintiff Richard Monreal
4 (“Plaintiff”) in the above-entitled action. I have personal knowledge of the matters set forth
5 herein, and if called upon as a witness to testify thereto, I could and would competently do so.

6 2. Each side has apprised the other of their respective factual contentions, legal
7 theories and defenses, resulting in arms’ length negotiations taking place among Plaintiff and
8 Defendant Paradise Electrical Services, Inc. (“Defendant”) (Plaintiffs and Defendant
9 collectively, the “Parties”). Based on their own independent investigation and evaluation, the
10 Parties and their respective counsel are of the opinion that the settlement, for the consideration
11 and on the terms set forth in the Class Action and PAGA Settlement Agreement, is fair,
12 reasonable, and adequate and is in the best interests of the Class and Defendant in light of all
13 known circumstances and the expenses and risks inherent in litigation.

14 3. Plaintiff and Plaintiff’s counsel also believe in the fairness of the settlement that
15 is based on factoring in the uncertainty and risks to Plaintiff in not prevailing on one or more
16 of the causes of action or theories alleged in the operative Complaint, the possibility of
17 appeals.

18 **A. Procedural History**

19 4. On February 2, 2021, Plaintiff submitted his Notice of Labor Law Violations to
20 the Labor and Workforce Development Agency and Defendant. Plaintiff commenced this
21 civil action on April 8, 2022, with the filing of his Class and PAGA Complaint in Monterey
22 Superior Court. In September 2022, the Parties stipulated to changing the venue to Santa Cruz
23 County Superior Court. Defendant filed its Answer March 6, 2023.

24 5. On May 22, 2024, the Parties participated in private mediation before mediator
25 Christopher E. Panetta, Esq. of Fenton & Keller, a well-respected mediator with extensive
26 experience in complex wage and hour matters. The mediation was conducted after the parties
27 engaged in a thorough and cooperative exchange of relevant information and documents. In
28 addition to formal discovery conducted, Defendant produced data and documents requested

1 by Plaintiff's counsel, including an agreed twenty percent (20%) sampling of the hardcopy
2 timecard and pay records kept by Defendant, many of them handwritten. The agreed sampling
3 consists of timecard and pay records for all employees for every fifth pay period in the class
4 period, in addition to Plaintiff's time and pay records, which were produced in their entirety.
5 Notes and communications related to employee time entries and any corresponding
6 adjustments were also produced with the records.

7 6. After a full day of mediation, the Parties were able to reach an agreement. The
8 Parties first executed a memorandum of understanding, followed by the more detailed
9 settlement agreement submitted herewith, which was fully executed on December 6, 2024.
10 Attached hereto as **Exhibit A** is a true and correct copy of the Joint Stipulation and Settlement
11 Agreement of Class Action and PAGA Claims (the "Agreement").

12 **B. Proposed Class Definition**

13 7. The current settlement is being settled on behalf of "all current and former non-
14 exempt employees of Paradise Electrical Services, Inc. who were employed in the State of
15 California at any time during the Class Period" (the "Class"). The Class Period is defined as
16 "the period commencing on April 8, 2018, and ending May 22, 2024."

17 8. According to data provided by Defendant in advance of mediation, there are
18 approximately 240 total Class Members who collectively worked approximately 19,700
19 workweeks during the Class Period. (See Agreement ¶ 15 regarding total workweeks.)

20 **C. Settlement Terms**

21 9. The Agreement provides for **\$325,000.00**, as the total Gross Settlement Amount.
22 See Agreement ¶ 15. The Net Settlement Amount [calculated after deduction of the Class
23 Counsel Award of attorneys' fees (one third of the Maximum Settlement Amount, or One
24 Hundred Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents
25 (\$108,333.33)), litigation costs (up to Six Thousand Five Hundred Dollars(\$6,500.00)), Class
26 Representative Enhancement Payment (up to \$5,000.00), PAGA Penalties of Sixteen
27 Thousand, Two Hundred and Fifty Dollars (\$16,250.00), and Settlement Administration Costs
28 (up to \$8,000.00)] is estimated to be approximately \$197,166.67. See Agreement ¶¶ 19, 44.c-d.

Each Class Member who does not opt-out of the settlement (“Participating Class Member”) will be awarded a portion of the Net Settlement Amount on a pro-rata basis, based upon the total number of workweeks he or she worked during the Class Period. Agreement ¶ 44.d.i.

10. Based thereon, each Participating Class Member potentially may recover approximately \$10.01 per workweek (Net Settlement Amount \$197,166.67 divided by 19,700 estimated Total Number of Workweeks). The amount actually paid to each Participating Class Member will increase or decrease depending on the actual number of workweeks he or she worked during the Class Period.

11. Funds from any checks that have not been cashed within 180 days of issuance shall be paid to the designated *cy pres* recipient: Watsonville Law Center. Agreement ¶ 44.d.iii.

D. Settlement Evaluation

12. Plaintiff alleges that Defendant, as a matter of its corporate policy, practice, or procedure violated the Labor Code by: failing to pay for all hours worked, including minimum and overtime wages, provide off-duty meal and rest breaks, pay premiums for missed or late meal and rest periods, reimburse workers for mandatory work-related expenses, pay all earned wages when due and upon separation of employment, and provide accurate wage statements. Based on the data and documents provided by Defendant, I was able to estimate

13. **Class Size:** Pursuant to the Agreement and data provided by Defendant in advance of mediation, Defendant has represented that approximately 240 total Class Members who collectively worked approximately 19,700 workweeks during the Class Period. *See* Agreement ¶ 15.

14. **Data & Policies Produced:** Defendant produced its written policies applicable to this matter, as contained within two versions of its Employee Handbook covering the Class Period. In both versions, the policies pertaining to Plaintiff’s claims were generally compliant with California law, including Defendant’s policies regarding Meal Periods, Rest Periods, and Work Hours and Overtime. Although both versions of the handbook include a policy titled “Company Credit Cards” that outlines rules for “selected employees” who are issued company

1 credit cards for business expenses, neither contains a policy addressing reimbursement for
2 work-related expenses incurred when a company credit card is not available.

3 **15. Analysis of Time and Pay Records:** Defendant's time and pay
4 records indicate that, prior to approximately August 1, 2021, Defendant did not accurately
5 track or compensate non-exempt employees for their actual hours worked. While employees
6 in some departments handwrote rounded time entries for their start/stop times, most employees
7 during this time appear to have recorded only their billable time at various assigned job sites
8 each day, not their actual start and stop times for the workday. In either case, no records were
9 found covering this time period that showed the employees' start or stop times for meal
10 periods. With rare exceptions, employees were paid for exactly 8.0 hours of work each day (no
11 overtime) after the uniform deduction of 0.5 hours for an assumed meal period. Plaintiff
12 alleges that this failure to record and pay for employees' actual hours resulted in a failure to
13 pay overtime wages that he and other Class Members were regularly required to work,
14 including mandatory travel time during which Plaintiff and other employees were typically
15 transporting company equipment.

16 **16. Class Damages:** Based on the class data and records provided by Defendant,
17 Plaintiff estimated that Defendant could face potential liability of up to approximately \$4.1
18 Million for Plaintiff's class claims, if Plaintiff was successful on all his class and PAGA
19 claims and obtained certification. This amount likely overstates the realistic range of
20 recovery, however, for reasons discussed below. Plaintiff calculated Defendant's potential
21 liability as follows:

- 22 • \$229,567.20 for unpaid hourly and overtime wages, assuming 12 minutes of off-
23 the-clock work per week (19,700 workweeks x 0.2 hrs. x \$23.35 average hourly
rate) + (19,700 workweeks x 0.2 hrs. x \$35.03 avg. overtime rate of pay);
- 24 • \$919,990 for meal period violations and \$919,990 for rest period violations,
25 assuming 2 violations per workweek for each across 19,700 workweeks with
\$23.35 average rate of pay;
- 26 • \$960,000 for Labor Code § 226(e) penalties (\$4,000 x 240 class members)
- 27 • \$885,432.00 in waiting time penalties (158 former employees x \$186.80 avg.
28 daily rate x 30 days) [increasing to \$892,874.74 if factoring in estimated 12 min.

1 of (unpaid) overtime per week];

- 2 • \$159,310.55 Reimbursement for required work-related use of employees'
3 personal cell phones [4,551.73 months (19,700 workweeks / 4.33 avg.
4 weeks/mo.) x \$35]

5 17. Plaintiff's estimate above assumes certification of the class. However, these
6 types of claims can be difficult to certify for class treatment where the defendant maintains
7 facially compliant policies. Accordingly, this exposure is entitled to a significant discount at
8 the settlement stage given the difficulties in proving this claim on a class basis if moving
9 forward with litigation.

10 18. Each of Plaintiff's putative class claims faced challenges from Defendant. For
11 one, Defendant maintains that it paid employees for all hours worked, even during the period
12 when its employees recorded only rounded start and stop times or simply recorded that they
13 worked 8.0 hours and it was assumed that they took exactly 30 minutes for lunch. Defendant
14 asserts that its employees work independently and without interruption from its owners or
15 other job tasks, such that there is no reason they cannot take their meal and rest breaks.
16 Defendant asserts that witness testimony would confirm that Defendant created and
17 maintained a culture whereby all employees are entitled to take, and do take, their meal and
18 rest periods regularly. Defendant further argues that, even assuming Plaintiff or any other
19 employee can articulate a claim for unpaid wages or meal and/or rest period violations, such
20 claims will require an individualized analysis for each employee and are not appropriate for
21 class certification.

22 19. Additionally, Defendant would also argue that the asserted penalties under both
23 Labor Code 203 and 226 are subject to a complete defense. Defendant would have argued at
24 trial that a good faith dispute exists as to whether the allegedly underpaid wages or meal/rest
25 period premiums were due to Plaintiff and the Class Members, particularly considering its
26 facially compliant written policies. If Defendant was successful in its good faith defense, the
27 Court may not have awarded any waiting time penalties or wage statement penalties,
28 potentially reducing Defendant's class claim exposure by nearly half. *See Naranjo v.*

1 Spectrum Security Services, Inc., 15 Cal. 5th 1056, 1087 (2024) (holding that, similar to the
2 good faith defense applicable to Section 203 penalties, “an employer’s objectively reasonable,
3 good faith belief that it has provided employees with adequate wage statements precludes an
4 award of penalties under section 226.”).

5 20. **PAGA Exposure:** Defendant has represented that 210 of the 240 class members
6 worked during the PAGA Period of February 2, 2020 through May 2, 2024, and that they
7 collectively worked 15,700 pay periods during the PAGA Period. Based on this data from
8 Defendant, Plaintiff calculated Defendant’s probable maximum exposure under PAGA to be
9 \$1,570,000.00 (15,700 pay periods x \$100 penalty). While Plaintiff believes in the merits of
10 the alleged claims, Plaintiff is aware that Defendant may raise some of the defenses to the
11 claims addressed above that could persuade the Court to reduce the PAGA penalties. The
12 Gross Settlement Amount was premised with this risk in mind, associated with the possibility
13 of the Court significantly reducing Plaintiff’s PAGA penalties, along with other attendant
14 risks.

15 21. Although Plaintiff believes that the class can be certified, Plaintiff also believes
16 in the fairness of the settlement that is based on factoring in the uncertainty and risks to
17 Plaintiff involved in not prevailing on one or more of the causes of action or theories alleged
18 in the operative Complaint, the possibility of non-certification, and the potential for appeals.

19 **E. Notice To Class Members**

20 22. Should the Court grant the instant motion, Defendant will provide the Settlement
21 Administrator with a list containing each Class Member’s full name, last known address,
22 Social Security number, and the number of workweeks worked by each Class Member during
23 the Class Period, and the number of pay periods worked by each PAGA Member during the
24 PAGA Period (“Class List”) within fourteen (14) calendar days of preliminary approval.

25 23. Within ten (10) calendar days of receipt of the Class List from Defendant, the
26 Settlement Administrator will mail the Notice Packet to Class Members.

27 24. As set forth in the Notice Packet, Class Members will be allowed to opt out of
28 the settlement by a certain deadline, or object to the settlement.

1 **F. Settlement Administration Costs**

2 25. The Parties have agreed to an estimated payment of \$8,000.00 to the Settlement
3 Administrator, Phoenix Settlement Administrators, to send notices and administer this
4 settlement, which shall be paid out of the Gross Settlement Amount. Phoenix Settlement
5 Administrators is a well-recognized class action settlement administrator. The Parties believe
6 that the administration fee is reasonable and should be approved, as it results in an anticipated
7 cost of approximately \$33.33 per class member, which is commensurate with similar
8 settlements and was the lowest of two bids obtained by Plaintiff's counsel in connection with
9 this Settlement.

10 26. **My Qualifications:** I received my bachelor's degree with honors from the
11 University of California, Riverside and my Juris Doctor degree from Monterey College of
12 Law. I was admitted to the State Bar of California in 2012, and my primary practice has been
13 California employment law for the past twelve years. Beginning in 2012, I practiced
14 employment litigation and counseling and general civil litigation at Bohnen, Rosenthal &
15 Kreeft in Monterey California, the same firm at which I had been employed in various
16 litigation support staff roles during the preceding four years. As an associate at Bohnen,
17 Rosenthal & Kreeft, I represented both plaintiffs and defendants in wage and hour class action
18 cases, and I was a member of a litigation team that obtained a \$12.5 million verdict for a single
19 plaintiff following a 5-week jury trial. In January 2016, I continued my employment practice
20 at the Salinas-based firm of L+G, LLP (now JRG Attorneys at Law), representing both public
21 and private employers and employees. From July 2016 through January 2020, I practiced
22 primarily employer-side employment litigation and counseling as an associate at Fenton &
23 Keller in Monterey, California. Since January 2020, I have been at Fitzpatrick & Swanston
24 where I practice labor and employment litigation, primarily Plaintiff-side class and
25 representative actions.

26 27. Over the past decade, I have litigated numerous wage and hour class actions,
27 both as counsel for the plaintiff(s)/class and as defense counsel. I have been certified as class
28 counsel in numerous wage and hour class actions in California. I currently serve and/or have

1 recently served as counsel for plaintiff(s)/the class in wage and hour class actions in Alameda
2 County Superior Court, Monterey County Superior Court, Nevada County Superior Court, San
3 Benito County Superior Court, San Bernardino County Superior Court, San Joaquin County
4 Superior Court, Santa Cruz Superior Court, Santa Clara County Superior Court, Ventura
5 County Superior Court, and the United States District Courts for the Eastern and Northern
6 District of California.

7 28. I do not have a conflict of interest with Plaintiff or the Class Members. I have
8 and will zealously represent Plaintiff and the Class and pursue this lawsuit to its conclusion.

9 29. I do not have any relationship with the proposed *cy pres* recipient, Watsonville
10 Law Center, that would create an actual or potential conflict of interest. Defense counsel and I
11 agree that the Watsonville Law Center satisfies the legislative intent set out in Code of Civil
12 Procedure § 384(a).

13 I declare under penalty of perjury under the laws of the State of California that the
14 foregoing is true and correct and if called as a witness I could and would competently testify to
15 each of the matters stated herein, and I state that these matters are based upon my own
16 personal knowledge acquired through first-hand observation, except where stated otherwise.
17 This declaration was executed by me on April 28, 2025, in Salinas, California.

18 /s/ Laura L. Franklin

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EXHIBIT A

JOINT STIPULATION AND SETTLEMENT AGREEMENT OF CLASS ACTION AND PAGA CLAIMS

This Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims (“Stipulation of Settlement” or “Settlement”) is made and entered into by and between Plaintiff Richard Monreal (the “Class Representative”), individually and on behalf of all others similarly situated, and Defendant Electrical Services, Inc. (“Defendant”) (collectively, “the Parties”).

THE PARTIES STIPULATE AND AGREE as follows:

DEFINITIONS

1. **“Action”** shall mean the lawsuit entitled *Richard Monreal v. Paradise Electrical Services, Inc.* Santa Cruz County Superior Court Case No. 22CV000989.
2. **“Agreement,” “Settlement,” or “Stipulation of Settlement”** means this Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims.
3. **“Class” or “Class Members”** means all current and former non-exempt employees of Paradise Electrical Services, Inc. who were employed in the State of California at any time during the Class Period.
4. **“Class Counsel”** shall mean B. James Fitzpatrick and Laura L. Franklin of Fitzpatrick & Swanston.
5. **“Class Counsel Costs”** shall mean Class Counsel’s actual costs not to exceed Six Thousand Five Hundred dollars (\$6,500.00). Any portion of the Class Counsel Costs not used or approved by the Court shall be added to the Net Settlement Amount.
6. **“Class Counsel Fees”** shall mean, subject to the Court’s approval, the maximum amount of attorneys’ fees provided for by the Settlement, which shall not exceed One Hundred Eight Thousand Three Hundred Thirty-Three and Thirty-Three Cents (\$108,333.33) or one-third (1/3) of the Gross Settlement Amount. Any portion of the Class Counsel Fees not approved by the Court shall be added to the Net Settlement Amount.
7. **“Class Period”** means the period commencing on April 8, 2018, and ending May 22, 2024.
8. **“Class Representative” or “Plaintiff”** shall mean Plaintiff Richard Monreal.

9. **“Court”** means the Superior Court of the State of California for the County of Santa Cruz.
10. **“Court’s Final Order and Judgment”** means the Final Order Approving Class Action Settlement and Judgment in a form to be agreed upon by the Parties and approved by the Court.
11. **“Defendant”** shall mean Paradise Electrical Services, Inc.
12. **“Defendant’s Counsel”** shall mean Daniel J. Muller of Ventura Hersey & Muller LLP.
13. **“Effective Date”** shall mean the date when all of the following events have occurred: (i) this Stipulation of Settlement has been executed by Plaintiff, Defendant, Class Counsel, and Defendant’s Counsel; (ii) the Court has given preliminary approval to the Settlement; (iii) the Notice has been sent to the Class, providing them the opportunity to object to the Settlement and the opportunity to opt out of the Settlement; (iv) the Court has held a formal fairness hearing and entered the Court’s Final Order and Judgment; and (v) only in the event there are written objections filed prior to the formal fairness hearing which are not later withdrawn, the later of the following events: (A) when the period for filing any appeal, writ, or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (B) when any appeal, writ, or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (C) when any appeal, writ, or other appellate proceeding has upheld the Court’s Final Order and Judgment with no right to pursue further remedies or relief.
14. **“Final Approval Hearing”** shall mean the hearing where the Court shall consider any timely objections to the Settlement from Class Members, testimony from the Parties or their counsel, declarations regarding the claims process from the Settlement Administrator, and otherwise make a final determination regarding the fairness of the Settlement as set forth herein.
15. **“Gross Settlement Amount”** refers to Three Hundred Twenty-five Thousand Dollars and Zero Cents (\$325,000.00), which is the maximum amount that Defendant will pay pursuant to this Settlement, excluding Defendant’s share of payroll taxes, and subject to the escalator provision in this Settlement. The Gross Settlement Amount is based on Defendant’s representation at the mediation that there are 19,700 workweeks from April 8, 2018 (*i.e.*, the commencement of the Class Period) through

May 22, 2024 (*i.e.*, the day of mediation). If the total number of workweeks of the entire Class Period exceeds more than 110% of 19,700, Defendant shall increase the total Gross Settlement Amount by 1% for every 1% increase in workweeks over the 10% threshold. The 10% threshold is 21,670 workweeks.

16. **“Individual PAGA Payment”** means the amount payable from the PAGA Member Payment to each PAGA Member.

17. **“Individual Settlement Payment”** means the amount payable from the Net Settlement Amount to each Participating Class Member.

18. **“LWDA Payment”** means seventy-five percent (75%) of the PAGA Penalties, *i.e.*, the sum of Twelve Thousand One Hundred Eighty-Seven Dollars and Fifty Cents (\$12,187.50), which shall be paid to the California Labor and Workforce Development Agency (“LWDA”).

19. **“Net Settlement Amount”** shall mean the Gross Settlement Amount less Class Counsel Fees, Class Counsel Costs, Service Award, PAGA Penalties, and Settlement Administration Costs.

20. **“Notice of Proposed Settlement”** or **“Notice”** means the Notice of Pendency of Class Action, including a Spanish translation thereof, in substantially the form attached hereto as **Exhibit A**, and as approved by the Court.

21. **“PAGA”** shall mean the California Labor Code Private Attorneys General Act, Labor Code § 2698, *et seq.*

22. **“PAGA Member”** shall mean all current and former non-exempt employees of Defendant who were employed in the State of California at any time during the PAGA Period.

23. **“PAGA Member Payment”** means twenty-five percent (25%) of the PAGA Penalties, *i.e.*, the sum of Four Thousand Sixty-Two Dollars and Fifty Cents (\$4,062.50), which shall be paid to PAGA Members.

24. **“PAGA Penalties”** means the portion of the Gross Settlement Amount that the Parties have agreed will be allocated to resolve all claims, penalties, and remedies under PAGA. The amount of the PAGA Penalties is subject to Court approval pursuant to California Labor Code § 2699(1). The Parties have agreed that Sixteen Thousand Two Hundred Fifty Dollars (\$16,250.00) of the Gross Settlement Amount shall be allocated to the resolution of the PAGA Members’ claims arising under

PAGA. Pursuant to the PAGA, 75% of the PAGA Penalties (i.e., \$12,187.50) shall be paid directly to the LWDA. The remaining 25% the PAGA Penalties (i.e., \$4,062.50) shall be paid to PAGA Members on a *pro rata* basis based on the number of weeks PAGA Members worked during the PAGA Period. Payments made to PAGA Members for PAGA Penalties will be reported on an IRS Form 1099.

25. **“PAGA Period”** means the period commencing on February 2, 2020 and ending on May 22, 2024.

26. **“PAGA Released Claims”** means all claims, causes of action, demands, damages, or liabilities arising at any time during the PAGA Period that were pled or which could have been pled based on the factual allegations contained in the operative Complaints in the Action or any amendments thereto, for civil penalties under the PAGA including claims premised on alleged violations of Labor Code §§ 201, 201.3, 202, 203, 204, 207, 208, 209, 216, 218, 218.5, 218.6, 223, 225.5, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1199, 2699, 2800, 2802, 2698, and the Wage Order.

27. **“Participating Class”** or **“Participating Class Members”** shall members of the Class who do not opt out of the class action portion of the settlement by submitting a valid request for exclusion as described below.

28. **“Parties”** shall refer to the Plaintiff and Defendant, each of whom is a “Party.”

29. **“Released Claims”** means all claims, causes of action, demands, damages, or liabilities arising at any time during the Class Period that were pled or which could have been pled based on the factual allegations contained in the operative Complaint in the Actions or any amendments thereto.

30. **“Released Parties”** collectively means Defendant and each of its past, present and/or future parent companies, partners, subsidiaries, affiliates, divisions, related companies, successors, and predecessors, as well as their respective past, present and future owners, officers, directors, shareholders, employees, agents, members, managers, principals, representatives, accountants, auditors, consultants, insurers and reinsurers, investors, lenders, administrators, company-sponsored employee benefit plans, assigns, joint venturers and attorneys, both individually and in their official capacities, as well as all persons acting by, through, under, or in concert with any of these persons or entities.

31. **“Settlement Administration Costs”** means the fees and expenses reasonably incurred

by the Settlement Administrator as a result of the procedures and processes expressly required by this Settlement, which are estimated to be Eight Thousand Dollars and Zero Cents (\$8,000.00). Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Amount.

32. **“Settlement Administrator”** means Phoenix Settlement Administrators.

33. **“Settlement Payment Check”** means the payment of the Individual Settlement Payment to Participating Class Members and Individual PAGA Payment to PAGA Members.

RECITALS

34. This Settlement is made and entered into by and between Plaintiff and Defendant, and is subject to the terms and conditions hereof, and to the Court’s approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant.

35. Plaintiff, on behalf of himself, the State of California, and Class Members, seeks to recover damages and penalties for alleged wage and hour violations by Defendant.

36. **Procedural History.**

a. On February 2, 2021, Plaintiff submitted his Notice of Labor Law Violations to the Labor and Workforce Development Agency and Defendant.

b. Plaintiff commenced this civil action on April 8, 2022, with the filing of his Class and PAGA Complaint in Monterey Superior Court. In September 2022, the Parties stipulated to changing the venue to Santa Cruz County Superior Court. Defendant filed its Answer March 6, 2023.

c. On May 22, 2024, the Parties participated in private mediation with mediator Christopher Panetta, Esq. of Fenton & Keller. After a full day of mediation, the Parties were able to reach an agreement. The Parties entered a memorandum of understanding, with the agreement to prepare a more detailed, formalized settlement agreement to be submitted to the Court for preliminary and final approval. The Parties now enter this more detailed, formalized settlement agreement to submit to the Court for preliminary and final approval.

37. Solely for the purpose of settling this case only, the Parties stipulate and agree that the

requisites for establishing class certification with respect to the Class meet the requirements of Code of Civil Procedure § 382.

38. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the claims in the Action, and further denies that, for any purpose other than settling this lawsuit, this Action is appropriate for class action or representative treatment.

39. It is the Parties' desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to the allegations of this Action.

40. It is the Parties' intention that this Stipulation of Settlement shall constitute a full and complete settlement and release of the Released Claims and PAGA Released Claims, which release includes the Released Parties.

41. It is the Parties' intention that this Settlement shall not become effective until the Effective Date.

42. Class Counsel has conducted a thorough investigation into the facts of this Action, including an extensive review of relevant documents and data produced by Defendant, and has diligently pursued an investigation of claims of the members of the Class against Defendant. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risks of significant delay, the risk of non-certification, and the defenses asserted by Defendant. Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interests of the Class.

43. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this Settlement.

TERMS OF SETTLEMENT

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

a. It is agreed by and between Plaintiff and Defendant that this case and any claims, damages, or causes of action arising out of the disputes which are the subject to this case, be settled and

compromised as between the Class and Defendant, subject to the terms and conditions set forth in this Stipulation of Settlement and the Court's approval.

b. If the Court declines to approve the Settlement, the entire Stipulation of Settlement is deemed void and unenforceable as if no settlement of any claim was ever reached; and all negotiations, statements, and proceedings and data relating thereto shall be protected by California Evidence Code § 1152 and 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 acceptance of the mediator's proposal.

c. Settlement Amount: To implement the terms of this Settlement, Defendant agrees to pay the Gross Settlement Amount. The Gross Settlement Amount shall be used to satisfy all of Defendant's liabilities arising from this settlement, other than its liability for employer-side payroll taxes on amounts paid to Class Members, and subject to the escalator provision. The Gross Settlement Amount includes Individual Settlement Payments to Participating Class Members (excluding any appropriate and lawfully required employer-side payroll taxes owed by Defendant on such payments which Defendant shall be separately responsible for apart from the Gross Settlement Amount), Individual PAGA Payments to PAGA Members, PAGA Penalties, Settlement Administration Costs, approved Class Counsel Fees, and Class Counsel Costs. Defendant shall transfer the Gross Settlement Amount to the Settlement Administrator within ten (10) business days of the Effective Date.

d. Allocation of Gross Settlement Amount: The Parties agree the Gross Settlement Amount, subject to Court approval, shall be allocated as follows:

i. Individual Settlement Payments: Class Members who do not validly opt-out shall receive their share of the Net Settlement Amount based upon the number of workweeks employed during the Class Period.

ii. Each Class Member's respective number of applicable workweeks and estimated share of the Net Settlement Amount shall be identified on the Notice of Proposed Settlement. The Parties agree that if any Class Member disputes the basis for determining their share of the Settlement, Defendant's records shall presumptively control unless the Class Member can produce documentation evidence of other workweeks worked during the relevant time period. Upon the

submission of such evidence, the Settlement Administrator will make a determination as to any such dispute, which shall be final and binding.

iii. Twenty percent (20%) of each Individual Settlement Payment shall be classified as wages and the remaining eighty percent (80%) shall be penalties and interest. Participating Class Members' shares of the Net Settlement Amount shall be paid within fifteen (15) calendar days of the Settlement Administrator's receipt of the Gross Settlement Amount. Class Members shall have one-hundred eighty (180) days from the date of issuance of the check to negotiate the check. The funds from any checks not negotiated within 180 days shall be transmitted to the Watsonville Law Center as the *cy pres* recipient. In such event, those Participating Class Members will nevertheless remain bound by the Settlement.

iv. Settlement Awards Do Not Trigger Additional Benefits: All Individual Settlement Payment checks to the Class shall be deemed to be income solely in the year in which such Individual Settlement Payment checks are actually received by the members of the Class. It is expressly understood and agreed that the receipt of such Individual Settlement Payment checks will not entitle any Class Member to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place (including, but not limited to, health and welfare benefits) during the period covered by the Settlement, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Individual Settlement Payments provided for in this Agreement are the sole payments to be made by Defendant to the Class in connection with this Settlement, and that the Class is not entitled to any new or additional compensation or benefits as a result of having received the payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

v. Settlement Administrator: The Settlement Administrator will demonstrate the proven ability, and will contract to, maintain acceptable electronic and physical security protocols to adequately protect and safeguard the private employee information it will have access to as a result of the claims process. The fees and expenses of the Settlement Administrator, up to a maximum amount of

Eight Thousand Dollars and Zero Cents (\$8,000.00), for work done shall be paid from the Gross Settlement Amount.

vi. Class Counsel Fees and Costs: Subject to the Court's approval, Defendant will pay Class Counsel's attorneys' fees of up to a maximum of one-third (1/3) of the Gross Settlement Amount, or \$108,333.33, and litigation costs not to exceed \$6,500.00. Defendant will not object to Class Counsel's application for attorneys' fees and costs in these amounts. The amount set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in the future in connection with the approval by the Court of this Stipulation of Settlement, the administration of the Settlement, and obtaining dismissal with prejudice of this case.

vii. Service Award: Defendant agrees not to oppose Plaintiff's request for a Service Award of \$5,000.00. The Service Award is in addition to the amount Plaintiff is entitled to recover from the PAGA Fund as a PAGA Member. Any portion of the Service Award not approved by the Court shall become part of the PAGA Fund. Further, any Service Award approved by the Court will result in the issuance of an IRS Form 1099 to Plaintiff, who shall assume full responsibility and liability for the payment of taxes due on such award.

viii. PAGA Penalties: Subject to the Court's Approval, the amount of \$16,250.00 of the Gross Settlement Amount as PAGA Penalties. 75% of the PAGA Penalties (i.e., \$12,187.50) shall be paid directly to the LWDA. The remaining 25% the PAGA Penalties (i.e., \$4,062.50) shall be paid to PAGA Members on a *pro rata* basis based on the number of weeks PAGA Members worked during the PAGA Period. Payments made to PAGA Members for PAGA Penalties will be reported on an IRS Form 1099. ("PAGA Member Payment").

1. Individual PAGA Payments: PAGA Members shall receive their share of the PAGA Member Payment based upon the number of pay periods worked during the PAGA Period. Each PAGA Member's respective number of applicable pay periods and estimated share of the PAGA Member Payment shall be identified on the Notice of Proposed Settlement. The Parties agree that if any PAGA Member disputes the basis for determining their share of the PAGA Member Payment,

Defendant's records shall presumptively control unless the PAGA Member can produce documentation evidence of other pay periods worked during the relevant time period. Upon the submission of such evidence, the Settlement Administrator will make a determination as to any such dispute, which shall be final and binding. One hundred percent (100%) of the Individual PAGA Payment shall be classified as penalties. PAGA Members' shares of the PAGA Member Payment shall be paid within fifteen (15) calendar days of the Settlement Administrator's receipt of the Gross Settlement Amount. PAGA Members shall have one-hundred eighty (180) days from the date of issuance of the check to negotiate the check. The funds from any checks not negotiated within 180 days shall be transmitted to the Watsonville Law Center as the *cy pres* recipient. In such event, those PAGA Members will nevertheless release the PAGA Released Claims.

ix. Tax Forms and Indemnification: The Settlement Administrator shall be responsible for issuing the payments and withholding all required state and federal taxes in accordance with this Stipulation of Settlement. The Settlement Administrator will issue IRS Forms W-2 with respect to the amounts paid as wages to Participating Class Members, and IRS Forms 1099 with respect to the amounts paid as penalties and interest to Participating Class Members and PAGA Members. The Settlement Administrator will also issue IRS Forms 1099 to Class Counsel for the amount paid for approved fees and costs. The Settlement Administrator will be responsible for preparing these forms correctly. The Settlement Administrator shall also be responsible for submitting Defendant's share of payroll taxes to the appropriate government agencies on behalf of Defendant. Plaintiff, Participating Class Members, PAGA Members, and Class Counsel will be responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Plaintiff, Participating Class Members, PAGA Members, and Class Counsel agree to indemnify Defendant for any liability it incurs to any tax authority on account of Plaintiff, Participating Class Members, PAGA Members, and/or Class Counsel's failure to pay all taxes due on the awarded attorneys' fees and costs, or any other amounts recorded on an IRS Form 1099.

NOTICE TO THE CLASS

45. Within fourteen (14) calendar days of preliminary approval of this Settlement by the

Court, Defendant shall provide to the Settlement Administrator a Class List, consisting of the full names, last known addresses, Social Security numbers, total number of workweeks Class Members worked during the Class Period, and total number of pay periods PAGA Members worked during the PAGA Period.

46. The Settlement Administrator (along with any of its agents) shall represent and warrant that it will: (1) provide reasonable and appropriate administrative, physical and technical safeguards for any personally identifiable information (“PII”), which it receives from Defendant’s Counsel and/or Class Counsel; (2) not disclose the PII to third parties, including agents or subcontractors, without Defendant’s consent; (3) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; (4) promptly provide Defendant with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction; and (5) destroy the PII upon termination of its services. The Settlement Administrator may provide notice to both Parties if the PII is subject to unauthorized access, use, disclosure, modification, or destruction; however, all additional communications from the Settlement Administrator regarding the scope, circumstances, and substance shall be communicated solely to Defendant.

47. The Settlement Administrator shall send Notice of Proposed Settlement to each Class Member by first class mail within ten (10) calendar days of receipt of the Class List. Prior to mailing the Court approved Notice, the Settlement Administrator shall update the addresses of the Class Members by reference to the National Change of Address Database maintained by the United States Postal Service. If a Notice of Proposed Settlement is returned as non-deliverable but with a forwarding address, the Settlement Administrator shall resend the Notice of Proposed Settlement to the forwarding address. If a Notice of Proposed Settlement is returned as non-deliverable with no forwarding address, the Settlement Administrator shall conduct an advanced skip trace to locate the most current address of the person to whom the Notice of Proposed Settlement was addressed and shall re-send the Notice of Proposed Settlement within five (5) calendar days to any updated address. Upon completion of these steps, the Parties shall be deemed to have satisfied their obligations to provide the Notice of Proposed Settlement to the affected members of the Settlement Class.

48. The Settlement Administrator shall provide to the Court, concurrently with Plaintiff's Motion for Final Approval, a declaration of due diligence and proof of mailing with regard to the mailing of the Notice of Proposed Settlement.

REQUESTS FOR EXCLUSION (OPT OUT)

49. Each Class Member shall have forty-five (45) calendar days from the mailing of the Notice of Proposed Settlement within which to postmark a written request for exclusion, for return to the Settlement Administrator. The request need not be in any particular form and will be considered a valid request for exclusion so long as it communicates a clear desire by the Class Member not to be included in the Settlement and/or Class, identifies his/her full name, last four (4) digits of his/her Social Security number, current address, and his/her signature. No requests for exclusion shall be accepted if postmarked after the forty-five (45) calendar day period for the filing of exclusions. Any disputes regarding the timeliness of a request for exclusion or whether a written communication constitutes a valid request that cannot be resolved between the Parties shall be determined by the Court, whose determination shall be final.

50. Any Class Member who validly excludes him/herself from this Settlement shall not be bound by this Settlement and shall not be entitled to any portion of the Net Settlement Amount, except that in light of the binding nature of a PAGA judgment on non-party employees, Class Members who are also PAGA Members who exclude themselves from this Settlement shall still be bound by the release of the PAGA Released Claims, as well as any Judgment that may be entered by the Court thereon. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit a Request for Exclusion. Class Counsel shall not represent any Class Members with respect to any such request.

OBJECTIONS TO THE SETTLEMENT

51. Each Class Member shall have forty-five (45) calendar days from the mailing of the Notice of Proposed Settlement, or such number of days as the Court shall specify, within which to postmark a written objection, for return to the Settlement Administrator. Any Class Member wishing to object to the approval of this settlement ("Objecting Class Member") shall inform the Court and the

Parties in writing of his or her intent to object. The written objection must contain: (1) the name and case number of this lawsuit: *Richard Monreal v. Paradise Electrical Services, Inc.* Santa Cruz County Superior Court Case No. 22CV000989; (2) full name and current address of the Objecting Class Member; (3) the specific reason(s) for the objection; and (4) any and all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) to be considered by the Court. Any Objecting Class Member who wishes to appear at the Settlement Hearing and be heard orally in support of, or in opposition to the Settlement, must state so in the objection sent to the Settlement Administrator. Alternatively, Class Members may appear at the Final Approval Hearing to state their objection.

52. Counsel for the Parties shall file any response to the objections submitted by Objecting Class Members, if any, at least seven (7) calendar days before the date of the Final Approval Hearing.

53. Objecting Class Members will have the right to appear at the Court's hearing to provide final approval of the Settlement in order to have their objections heard by the Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement or to appeal from the Court's Final Order and Judgment. Class Counsel shall not represent any Class Members with respect to any such objections to this Settlement.

DEFENDANT'S RIGHT TO RESCIND

54. If ten percent (10%) or more of the Class submit a timely and valid Request for Exclusion, Defendant will have the right, but not the obligation, to revoke and void this Settlement at its discretion. Defendant must meet and confer with Class Counsel prior to exercising this right. Defendant must also exercise the option to rescind within fourteen (14) calendar days of the expiration of the opt-out period. If Defendant exercises this right to void the Settlement, then the Parties will have no further obligations under the Settlement, including, without limitation, any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Settlement, except that Defendant shall pay all Settlement Administration Costs incurred by the Settlement Administrator up to the date of Defendant's notice to rescind. In the event the Settlement is terminated, the Parties shall proceed in all respects as if this Stipulation of Settlement had not been executed. The

Parties agree that they will not encourage any Class Member to object to the Settlement or to opt out.

RELEASE BY THE CLASS AND PAGA MEMBERS

55. Release by Participating Class Members: Upon the Effective Date and funding of the Gross Settlement Amount, Plaintiff and all Participating Class Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged, to the fullest extent possible, any and all of the Released Parties of and from any and all Released Claims during the Class Period.

56. Release by PAGA Members: Upon the Effective Date and funding of the Gross Settlement Amount, Plaintiff and all PAGA Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged, to the fullest extent possible, any and all of the Released Parties of and from any and all PAGA Released Claims during the PAGA Period. Class Members who are also PAGA Members shall still be bound by the PAGA Released Claims regardless of whether a timely and valid Request for Exclusion is submitted.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

57. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary approval.

58. Class Counsel shall promptly submit this Stipulation of Settlement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to whether the proposed Settlement is within the range of possible judicial approval. Plaintiff will provide Defendant with a draft of the Motion at least one business day prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to the Motion. Promptly upon execution of this Stipulation of Settlement, Class Counsel shall apply to the Court for the entry of an order substantially in the following form:

- a. Scheduling of the Final Approval Hearing on the question of whether the proposed Settlement, including payment of attorneys' fees and costs, should be finally approved as fair, reasonable, and adequate as to the Class Members;
- b. Certifying the Class;

- c. Approving the manner and method for the Class Members to request exclusion from the Settlement as contained herein and within the Notice of Pendency of Class Action;
- d. Directing the mailing of the Notice of Pendency of Class Action by first class mail to the Class Members; and
- e. Preliminarily approving the Settlement subject only to the objections of the Class Members and final review by the Court.

DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL

59. Following final approval by the Court of the settlement provided for in this Stipulation of Settlement, Class Counsel shall submit a proposed Final Order and Judgment in approximately the following form: approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions including the approval of Class Counsel's application for an award of attorneys' fees and costs.

PARTIES' AUTHORITY

60. The signatories hereto hereby represent that they are fully authorized to enter into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION

61. The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including, but not limited to, execution of such documents and taking of such action as reasonably may be necessary to implement the terms of this Stipulation of Settlement. The Parties to this Stipulation of Settlement shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall take all necessary steps to secure the Court's final approval of this Stipulation of Settlement.

62. The Parties and their respective counsel agree that they will not attempt to encourage or discourage Class Members from filing Requests for Exclusion.

NO PRIOR ASSIGNMENTS

63. The Parties and their respective 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 except as set forth herein.

NO ADMISSION

64. Nothing contained herein, nor the consummation of this Stipulation of Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Each of the Parties hereto has entered into this Stipulation of Settlement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

ENFORCEMENT ACTIONS

65. In the event one or more of the parties to this Stipulation of Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Stipulation of Settlement or to declare rights or obligations under this Stipulation of Settlement, the successful party or parties shall 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. All such disputes shall be resolved by the Court.

NOTICES

66. 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 follow:

To Class Counsel:

B. James Fitzpatrick
Laura L. Franklin
FITZPATRICK & SWANSTON
555 S. Main Street
Salinas, CA 93901

To Defendant and Defendant's Counsel:

Daniel J. Muller
VENTURA HERSEY & MULLER, LLP
1506 Hamilton Avenue
San Jose, CA 95125

CONSTRUCTION

67. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are the result of lengthy, intensive arm's-length negotiations between the Parties with the assistance of a neutral mediator, and this Stipulation of Settlement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his/her/its counsel participated in the drafting of this Stipulation of Settlement.

CAPTIONS AND INTERPRETATIONS

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

MODIFICATION

69. This Stipulation of Settlement may not be changed, altered, or modified, except in writing and signed by the Parties or their counsel and approved by the Court. This Stipulation of Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

70. This Stipulation of Settlement contains the entire agreements between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

BINDING ON ASSIGNS

71. This Stipulation of Settlement shall be binding upon and inure to the benefit of the Parties

hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

DISPUTES REGARDING LANGUAGE OF SETTLEMENT AGREEMENT

72. If the Parties have a dispute with regard to the language of the terms of the Agreement, the Parties agree to present any such dispute to the mediator for resolution.

CLASS MEMBER SIGNATORIES

73. It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each member execute this Stipulation of Settlement. The Notice of Pendency of Class Action, Exhibit "A" hereto, will advise the Class of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member.

COUNTERPARTS

74. This Stipulation of Settlement may be executed in counterparts and by facsimile or electronic signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims between Plaintiff and Defendant as of the date(s) set forth below.

Dated: 11/06/2024 _____

DocuSigned by:

Richard Monreal

24D9E7C761E8457

Plaintiff Richard Monreal

Defendant Paradise Electrical Services, Inc.

Dated: _____

By: _____
Title: _____

Dated: November 6, 2024 _____

FITZPATRICK & SWANSTON

By:  _____
B. James Fitzpatrick
Attorneys for Plaintiff
Richard Monreal and the Class

hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

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COUNTERPARTS

74. This Stipulation of Settlement may be executed in counterparts and by facsimile or electronic signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS HEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims between Plaintiff and Defendant as of the date(s) set forth below.

Dated: _____

Dated: 12/06/2024

Dated: _____

Plaintiff Richard Monreal

Defendant Paradise Electrical Services, Inc.

By: _____
Title: _____

FITZPATRICK & SWANSTON

By: _____
B. James Fitzpatrick
Attorneys for Plaintiff
Richard Monreal and the Class

Dated: December 6, 2024

VENTURA HERSEY & MULLER LLP

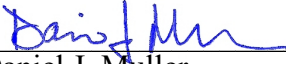
By: 
Daniel J. Muller
Attorneys for Defendant
Paradise Electrical Services, Inc.

EXHIBIT A

**IMPORTANT LEGAL NOTICE
SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

Richard Monreal v. Paradise Electrical Services, Inc., Case No. 22CV000989

<<FIRST AND LAST NAME>>

<<ADDRESS>>

<<CITY AND ZIP CODE>>

**NOTICE OF PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT**

**YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY \$<<EstimatedAward>>
THROUGH THIS SETTLEMENT.**

To: All current and former non-exempt employees of Paradise Electrical Services, Inc. who were employed in the State of California at any time during the period commencing on April 8, 2018, and ending May 22, 2024.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.
YOU MAY BE ENTITLED TO RECEIVE MONEY FROM THIS PROPOSED SETTLEMENT.

TO RECEIVE YOUR SHARE, YOU DO NOT NEED TO DO ANYTHING.

This Notice is Court approved. This is not a solicitation from an attorney.

1. WHY DID I GET THIS NOTICE?

You received this Notice because a proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *Richard Monreal v. Paradise Electrical Services, Inc., Case No. 22CV000989* (hereinafter referred to as the “Action”). Defendant Paradise Electrical Services, Inc. (“Defendant”) has agreed to pay a total of \$325,000.00 (the “Gross Settlement Amount”) to settle all claims arising out of the Action. There was a hearing on <<Prelim Date>> in the Superior Court of the State of California for the County of Santa Cruz, at which time the Honorable <<Judge Name>> preliminarily approved the Settlement as being fair and reasonable to the members of the Class.

The Notice explains the nature of the Action, the general terms of the proposed Settlement, and your legal rights and obligations. To obtain more information about the Settlement, including information about how you can see a copy of the Settlement Agreement, see Section 17, below.

2. WHAT IS THE ACTION ABOUT?

This Action was filed on April 8, 2022, with the filing of Plaintiff’s Class and PAGA Complaint in Monterey Superior Court. In September 2022, the Parties stipulated to changing the venue to Santa Cruz County Superior Court. The operative Complaint alleges claims on behalf of Plaintiff and other similarly situated employees against Defendant for: (1) meal period violations in violation of Labor Code §§ 226.7 and 1198; (2) rest period violations in violation of Labor Code §§ 226.7 and 1198; (3) failure to pay hourly and overtime wages in violation of

Labor Code §§ 1194 and 1198; (4) wage statement violations in violation of Labor Code §§ 226, 1174, and 1175; (5) waiting time penalties pursuant to Labor Code §§ 201-203; (6) failure to reimburse business expenses in violation of Labor Code § 2802; (7) civil penalties under the Private Attorneys General Act, Labor Code § 2698, *et seq.* (“PAGA”); and (8) unfair competition in violation of Business and Professions Code § 17200, *et seq.*

Defendant denies all allegations of wrongdoing and maintains that it complied with all applicable laws, rules, and regulations at issue in this litigation. The Court has not ruled on the merits of the lawsuit.

3. WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Plaintiff brings this Action on your behalf and on behalf of other similarly situated employees.

In the Action, the Plaintiff seeks to represent you on a class basis. A class action allows the Court to resolve the claims of all the members of the Class at the same time. A class member is bound by the determination or judgment entered in the case (regardless of whether the class wins or loses), and may not file his or her own lawsuit on the same claims that were decided in the class action. A class action allows one court to resolve all of the issues in a lawsuit for all the members of the class who choose not to exclude themselves from the class.

4. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

The people who are included in the settlement class are all current and former non-exempt employees of Defendant who were employed in the State of California at any time during the Class Period (the “Class” or “Class Member(s)”). The period commencing on April 8, 2018, and ending May 22, 2024 is the “Class Period”. You are receiving this Notice because Defendant’s records show that you are a Class Member.

In addition, you may also be eligible to receive a payment under the PAGA (Labor Code § 2699 *et seq.*) if you worked for Defendant during the period commencing on February 2, 2020, and ending on May 22, 2024 (the “PAGA Period”). If you are a current or former non-exempt employee of Defendant who was employed in the State of California at any time during the PAGA Period, you are also considered a “PAGA Member.”

5. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff thinks he could have won at trial. Defendant thinks it could have won at trial. But there was no trial. Instead, the parties agreed to a settlement. That way, they avoid the cost of litigation, and the individuals potentially affected will get compensation. Plaintiff and counsel for the Plaintiff (“Class Counsel”) believe the Settlement is a fair and reasonable compromise that is in the best interests of the Class.

6. WHAT ARE THE TERMS OF THE SETTLEMENT?

As stated above, Defendant has agreed to pay a total of \$325,000.00 to settle all class claims arising out of the lawsuit. Subject to the Court’s approval, the Gross Settlement Amount will be used to pay (a) attorneys’ fees not to exceed one-third (1/3) of the Gross Settlement Amount, or \$108,333.33, and litigation costs not to exceed \$6,500.00; (b) a “service award” to

Plaintiff as the Class Representative (up to \$5,000.00); (c) PAGA penalties to be paid to the California Labor & Workforce Development Agency (“LWDA”) and PAGA Members, which are estimated to be \$16,250.00, and (d) PAGA Members for the release of the PAGA Released Claims; and (e) settlement administration costs (\$8,000.00). The amount of money remaining after all of these payments (the “Net Distribution Fund”) will be distributed to Class Members who do not opt out of the Settlement (the “Participating Class Members”).

Participating Class Members who do not opt out will each receive a payment (“Individual Class Payment”) representing their pro-rata share of the Net Distribution Fund, based upon the number of workweeks worked during the Class Period.

Based on Defendant’s records, the number of workweeks you worked during the Class Period is <<Workweeks>> and your estimated Individual Class Payment is \$<<EstimatedClassAward>>. Twenty percent (20%) will be considered wages and the remaining eighty percent (80%) will be considered penalties and interest. The amounts classified as wages will be reported on an IRS Form W-2, and the amounts classified as interest and penalties will be reported on an IRS Form 1099 misc., if applicable.

In addition, you may also be eligible to receive a payment under the PAGA, California Labor Code § 2699 *et seq.*, if you are also a “PAGA Member,” as defined above.

Individual payments under the PAGA will be paid to PAGA Members on a pro rata basis, based on the number of weeks each PAGA Member worked during the PAGA Period. Defendant’s records indicate that you worked a total of <<Weeks>> during the PAGA Period. Based on that, your individual share of the PAGA penalties (or “Individual PAGA Payment”) is \$<<EstimatedPAGAAward>>.

Any questions regarding your workweek count or the amount of your Individual Class Payment or Individual PAGA Payment should be directed to the Settlement Administrator at the address listed in Section 17 below.

7. WHAT DO I NEED TO DO TO RECEIVE A SETTLEMENT PAYMENT?

You do not need to do anything to participate in the Settlement. You will receive your Individual Class Payment and/or Individual PAGA Payment from this Settlement in or around <<45 days from final approval date>>, if the Court approves the Settlement and no written objections or appeals are filed. Class Counsel has been appointed and approved by the Court and Class Counsel will represent you unless you choose not to participate in the settlement.

Upon receipt of your settlement check, it will be your responsibility to cash the check before the expiration date of the check (180 days from the check’s issuance). You will not be retaliated against for cashing the settlement check. Checks that are not cashed or negotiated within 180 days from the date of issuance of the check will become void and be transmitted to the following non-profit chosen by the Parties.

8. HOW DOES THE SETTLEMENT AFFECT MY RIGHTS?

After the Court has approved the Settlement, each Participating Class Member, as well as their spouses, heirs, executors, administrators, trustees, and/or permitted assigns, will release the Released Parties from any and all Released Claims arising during the Class Period.

The Released Parties consist of:

Defendant and each of its past, present and/or future parent companies, partners, subsidiaries, affiliates, divisions, related companies, successors, and predecessors, as well as their respective past, present and future owners, officers, directors, shareholders, employees, agents, members, managers, principals, representatives, accountants, auditors, consultants, insurers and reinsurers, investors, lenders, administrators, company-sponsored employee benefit plans, assigns, joint venturers and attorneys, both individually and in their official capacities, as well as all persons acting by, through, under, or in concert with any of these persons or entities. (“Released Parties”).

The Released Claims are as follows:

all claims, causes of action, demands, damages, or liabilities arising at any time during the Class Period that were pled or which could have been pled based on the factual allegations contained in the operative Complaint in the Actions or any amendments thereto. (“Released Claims”).

If you are a Class Member and you do not elect to properly opt out of the Settlement, you will be deemed to have entered into this release and to have released the above-described Released Claims. If the Settlement is approved by the Court and becomes final, you will release the Released Claims. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

In addition, PAGA Members will release the Released Parties from any and all PAGA Released Claims arising during the PAGA Period.

The PAGA Released Claims are as follows:

all claims, causes of action, demands, damages, or liabilities arising at any time during the PAGA Period that were pled or which could have been pled based on the factual allegations contained in the operative Complaints in the Action or any amendments thereto, for civil penalties under the PAGA including claims premised on alleged violations of Labor Code §§ 201, 201.3, 202, 203, 204, 207, 208, 209, 216, 218, 218.5, 218.6, 223, 225.5, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1199, 2699, 2800, 2802, 2698, and the Wage Order. (“PAGA Released Claims”).

9. WHAT IF I DON’T WANT TO PARTICIPATE IN THIS SETTLEMENT?

If you do not want to be bound by the terms of the Settlement, you may submit a Request for Exclusion (“opt out”) by sending written notice of your intention to opt out to the Settlement Administrator, at its address listed below:

Richard Monreal v. Paradise Electrical Services, Inc. Class Action Lawsuit
c/o Phoenix Settlement Administrators

Address
Address

The Request for Exclusion must be in writing and include (1) your full name and current address; (2) last four digits of your Social Security number, (3) a statement that you request exclusion from the Class and do not wish to participate in the Settlement; and (4) signature. Any person who opts out will not be affected by the terms of the Settlement, except as it pertains to the PAGA claims. ***Any opt-out request must be postmarked no later than <<45 days from mailing date>>.***

If you submit a timely and valid Request for Exclusion, you will no longer be a member of the Class, and you will not be eligible to receive an Individual Class Payment or object to the terms of the Settlement. However, you will not be bound by the release of Released Claims described above, and you may pursue any claims you may have, at your own expense, against Defendant.

If you are also a PAGA Member, you may not exclude yourself from the PAGA Released Claims regardless of whether you submit a valid “opt-out” request.

PAGA claims are brought on behalf of the State of California by an employee who has been given permission by the State of California to litigate on its behalf. Any settlement of PAGA claims, once approved, is binding on the State and forecloses future lawsuits by the State (or other employees acting on its behalf) that seek PAGA civil penalties for the settled alleged violations. Thus, because the claim for PAGA civil penalties belongs to the State and not individual employees, there is no mechanism for employees to exclude themselves from the settlement of the PAGA Released Claims. As such, you will still receive an Individual PAGA Payment and be bound by the PAGA Released Claims if you are a PAGA Member.

10. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

If you do not opt-out of the Settlement by submitting a valid and timely request for exclusion as outlined in Section 9 above, you may object to any of the terms of the Settlement before the Final Approval Hearing. Failure to take the steps below will be deemed a waiver of your objections. If the Court rejects your objection, you will still be bound by the terms of the Settlement and you will also receive an Individual Class Payment. You may submit your written objection by sending it to the Settlement Administrator at its address listed below:

Richard Monreal v. Paradise Electrical Services, Inc. Class Action Lawsuit
c/o Phoenix Settlement Administrators
Address
Address

Your written objection must state (1) the name and case number of this lawsuit: *Richard Monreal v. Paradise Electrical Services, Inc.* Santa Cruz County Superior Court Case No. 22CV000989; (2) full name and current address of the Objecting Class Member; (3) the specific reason(s) for the objection; and (4) any and all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) to be considered by the Court. ***Any objection must be postmarked no later than <<45 days from mailing date>>.***

IF YOU DO NOT TIMELY MAKE YOUR OBJECTION OR APPEAR AT THE FINAL APPROVAL HEARING, YOU WILL BE DEEMED TO HAVE WAIVED ALL OBJECTIONS.

11. WILL THE NAMED PLAINTIFF BE COMPENSATED FOR BRINGING THIS LAWSUIT?

Plaintiff will request a service award of up to \$5,000.00 for his services as Class Representative and for his efforts in bringing the Action. The Court will make the final decision as to the amount to be paid to Plaintiff.

12. DO I HAVE A LAWYER IN THIS CASE?

Yes. The Court decided that the law firm of Fitzpatrick & Swanston, which represents Plaintiff, are also qualified to represent you and all Class Members. You will not be charged for these lawyers. The law firm is referred to as “Class Counsel.” If you want to be represented by your own lawyer, you may hire one at your own expense.

The contact information for Class Counsel is as follows:

B. James Fitzpatrick
Laura L. Franklin
FITZPATRICK & SWANSTON
555 S. Main Street
Salinas, CA 93901
Telephone: (831) 755-1311

If you have questions about the case or the Settlement, you should contact Class Counsel.

13. HOW WILL THE LAWYERS BE PAID?

Class Counsel will be requesting from the Court an amount not to exceed one-third (1/3) of the Gross Settlement Amount, or \$108,333.33, and litigation costs not to exceed \$6,500.00. These fees will serve to compensate Class Counsel for their efforts in achieving the settlement for the benefit of the Class and for their risk in undertaking this representation on a contingency basis. Class Counsel have already spent many hours investigating this case, reviewing payroll and time records information provided by Defendant, researching the claims, and negotiating this settlement for the Class. They will incur additional hours overseeing the final approval and implementing the plan of distribution.

14. WHAT IS THE FINAL APPROVAL HEARING?

The Court has preliminarily approved the Settlement and will hold a hearing to decide whether to give final approval to the Settlement. The purpose of the Final Approval Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; to consider the award of attorneys’ fees and expenses to Class Counsel; and to consider the request for service awards to Plaintiff.

15. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold the Final Approval Hearing on <<date>> at <<time>> a.m., in <<Department No.>> of the Superior Court of the State of California for the County of Santa Cruz, 701 Ocean Street, Santa Cruz, CA 95060 (“Final Approval Hearing”).

The Final Approval Hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing unless you would like to. However, you have the right to attend the Final Approval Hearing and be represented by your own counsel at your own expense. If you plan to attend the Final Approval Hearing, you may contact Class Counsel to confirm the date and time. If the Settlement is not approved by the Court or does not become final for some reason, the Action may continue to trial.

16. MAY I SPEAK AT THE FINAL APPROVAL HEARING?

At the hearing, the Court will be available to hear any objections and arguments concerning the Settlement. You may attend, but you do not have to attend. You may speak at the Final Approval Hearing if you have not chosen to opt-out from the Settlement.

17. HOW DO I GET MORE INFORMATION?

To see a copy of the Joint Stipulation and Settlement Agreement of Class Action and PAGA Claims (which defines the capitalized terms used in this Notice and provides a brief summary of what has happened in the Action), the Court’s Preliminary Approval Order, Class Counsel’s application for attorneys’ fees and costs, and other filed documents related to Plaintiff’s lawsuit and this Settlement, you may view all such files at the Clerk’s office at the Superior Court of the State of California for the County of Santa Cruz, 701 Ocean Street, Santa Cruz, CA 95060.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the address and telephone number listed below, toll-free. Please refer to the *Paradise Electrical Services, Inc.* Class Action Settlement.

Richard Monreal v. Paradise Electrical Services, Inc. Class Action Lawsuit
c/o Phoenix Settlement Administrators
Address
Address
Toll-free No.:

You may also contact Class Counsel, whose contact information is listed above.

18. WHAT IF MY INFORMATION CHANGES?

It is your responsibility to keep a current address and telephone number on file with the Settlement Administrator, to ensure receipt of your Individual Class Payment and/or Individual PAGA Payment and applicable tax forms if the Court approves this Settlement. If you change your mailing address, you should promptly contact the Settlement Administrator and provide the Settlement Administrator with your new address and contact information.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.

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On the date written below, I served the foregoing document(s), described as **DECLARATION OF LAURA L. FRANKLIN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** on the interested parties in this action as indicated below and by the following means:

XX _____ (BY ELECTRONIC SERVICE) Pursuant to CCP § 1010.6 and Cal. Rules of Court, Rule 2.251, I caused the document(s) to be served through the Odyssey eFileCA portal (www.california.tylerhost.net), addressed to the person(s) at the e-mail address(es) listed above. I did not receive within a reasonable time after e-service, any electronic message or other indication that e-service was unsuccessful.

/s/ Josie Favila

PROOF OF SERVICE