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16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

17 **FOR THE COUNTY OF RIVERSIDE – HISTORIC COURTHOUSE**

18 CARLOS GONZALEZ, individually and on behalf
of all similarly Aggrieved Employees,

19 Plaintiff,

20 v.

21 M.C. BUILDER, CORP., a California corporation;
22 ERNEST CASTO, an individual; and DOES 1
through 25, inclusive,

23 Defendants.

Case No. CVPS2106544

*Assigned for all purposes to the Honorable
Christopher Harmon, Department 10*

**STIPULATION AND PAGA SETTLEMENT
AGREEMENT**

PAGA Notice, Case No.

LWDA-CM-830308-21: April 26, 2021

Complaint Filed: June 16, 2021

FAC Filed: June 7, 2023

Amended PAGA Notice, Case No.

LWDA-CM-830308-21: September 22, 2023

Trial Date: None Set

STIPULATION AND PAGA SETTLEMENT AGREEMENT

(RIVERSIDE COUNTY SUPERIOR COURT, CASE No. CVPS2106544)

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1. Stipulating Parties and the Action. This California Labor Code Private Attorneys General Act of 2004 Settlement (“Agreement” or “Settlement Agreement”) is made by and between plaintiff Carlos Gonzalez (“Plaintiff”) and defendant M.C. Builder, Corp. and defendant Ernest Casto (collectively “Defendants”) (Plaintiff and Defendants jointly, the “Parties”) in *Gonzalez v. M.C. Builder, Corp., et al.*, Riverside County Superior Court, Case No. CVPS2106544 (the “Action”).

2. Stipulating Parties' Joint Statement of Purpose and Intent to Settle. The Parties intend this Settlement Agreement, subject to Court approval, shall fully, finally, forever resolve, discharge, and settle this Action and have agreed to work diligently and cooperatively to present this Settlement Agreement to the Court so that it is finally approved, and the Action is finally adjudged.

3. Defined Terms. In addition to other terms defined in this Settlement Agreement, the capitalized words and phrases below shall have the following meanings in this Settlement Agreement.

3.1. Action. “Action” means the PAGA representative action entitled *Gonzalez v. M.C. Builder, Corp., et al.*, Riverside County Superior Court, Case No. CVPS2106544, filed June 16, 2021.

3.2. Aggrieved Employee. “Aggrieved Employee” means a person employed by Defendants in California as a non-exempt employee at any time during the PAGA Period.

3.3. Aggrieved Employee List. “Aggrieved Employee List” means a Microsoft Excel (or similar electronically manipulatable) spreadsheet containing the following information regarding each Aggrieved Employee: (1) full name; (2) last known address; (3) last known telephone number; (4) social security number or taxpayer identification number; and (5) dates of employment during the PAGA Period.

3.4. Approval Hearing. “Approval Hearing” means the hearing the Court sets wherein Plaintiff shall move the Court to find the Settlement is fair, reasonable, and adequate and to enter an Approval Order and Judgment.

3.5. Approval Order. “Approval Order” means the Court’s order, which shall, among other things, finally approve the fairness, reasonableness, and adequacy of this Settlement Agreement substantially in the form attached as **Exhibit 3**.

1 3.6. Court. “Court” means the Superior Court of California for the County of Riverside
2 and the judicial officer presiding over this Action.

3 3.7. Defendants. “Defendants” means M.C. Builder, Corp. and Ernest Casto.

4 3.8. Defendants’ Counsel. “Defendants’ Counsel” means Slovak Baron Empey Murphy
5 & Pinkney LLP including Quynhvi (“Vee”) B. Sotelo and Katelyn Empey.

6 3.9. Effective Date. “Effective Date” means the date when the Court enters a Judgment
7 on its Approval Order.

8 3.10. Exhibits. “Exhibits” mean the four (4) exhibits attached to this Settlement
9 Agreement including **Exhibit 1** (draft Individual PAGA Payment Letter); **Exhibit 2** (Tentative Installment
10 Payment and Disbursement Schedule); **Exhibit 3** (draft proposed Approval Order); and **Exhibit 4** (draft
11 proposed Judgment).

12 3.11. Gross Settlement Amount. “Gross Settlement Amount” means the non-
13 reversionary amount of no less than four hundred five thousand dollars and zero cents (\$405,000.00),
14 which Defendants agree to pay to establish a common settlement fund the Settlement Administrator shall
15 maintain in a Qualified Settlement Fund and from where the Settlement Administrator shall disburse the
16 following payments: (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the
17 PAGA Payment to Aggrieved Employees; (4) the PAGA Representative Service Award; (5) the PAGA
18 Counsel Cost Award; and (6) the PAGA Counsel Fee Award, which shall include the monetary
19 consideration Defendants offer in exchange for the releases of the Released Claims.

20 3.12. Individual PAGA Payment. “Individual PAGA Payment” means an Aggrieved
21 Employee’s pro rata share of the PAGA Payment to Aggrieved Employees, which shall be determined by
22 dividing the PAGA Payment to Aggrieved Employees by each Aggrieved Employee’s aggregated pay
23 periods worked during the PAGA Period.

24 3.13. Individual PAGA Payment Letter. “Individual PAGA Payment Letter” means the
25 letter the Settlement Administrator shall mail to Aggrieved Employees with Individual PAGA Payment
26 checks, substantially in the draft form attached as **Exhibit 1**.

27 3.14. Installment Payment. “Installment Payment” means any of the thirty-six (36)
28 payments of eleven thousand, two hundred fifty dollars, and zero cents (\$11,250.00), which Defendants

1 shall remit to the Settlement Administrator to fund the Gross Settlement Amount.

2 3.15. Installment Payment and Settlement Payment Disbursement Schedule. “Installment
3 Payment and Settlement Payment Disbursement Schedule” means the schedule of Defendants’ Installment
4 Payment due dates and the Settlement Administrator’s Settlement payment disbursement dates,
5 substantially in the tentative form attached as **Exhibit 2**.

6 3.16. Installment Period. “Installment Period” means the 36-month long period that
7 begins on the first day of the first full month that starts at least fifteen (15) days after the Effective Date
8 and ends on the first day of the month thirty-five (35) months thereafter.

9 3.17. Judgment. “Judgment” means the Court’s judgment, which shall, among other
10 things, finally adjudge this Action, substantially in the form attached as **Exhibit 4**.

11 3.18. Labor Commissioner. “Labor Commissioner” means Chief of the Division of Labor
12 Standards Enforcement (Cal. Lab. Code § 21).

13 3.19. LWDA. “LWDA” means the Labor and Workforce Development Agency (Cal.
14 Lab. Code § 18.5).

15 3.20. Net Settlement Amount. “Net Settlement Amount” means the amount, estimated to
16 be no less than fifty-seven thousand, five hundred dollars, and zero cents (\$57,500.00), payable from the
17 Gross Settlement Amount and due to Aggrieved Employees as their aggregate twenty-five percent (25%)
18 share of the PAGA Payment and any amounts of accrued interest or residue in the Qualified Settlement
19 Fund, which shall be determined by subtracting the amounts payable as: (1) Settlement Administration
20 Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Representative Service Award; (4) the PAGA
21 Counsel Cost Award; and (5) the PAGA Counsel Fee Award from the Gross Settlement Amount.

22 3.21. PAGA. “PAGA” means the California Labor Code Private Attorneys General Act
23 of 2004 (Cal. Lab. Code §§ 2698-2699.8, *et seq.*).

24 3.22. PAGA Counsel. “PAGA Counsel” means LOYR, APC including Young W. Ryu
25 and Roy K. Suh.

26 3.23. PAGA Counsel Cost Award. “PAGA Counsel Cost Award” means an amount, not
27 exceeding twenty-five thousand dollars and zero cents (\$25,000.00), payable from the Gross Settlement
28 Amount and due to PAGA Counsel for reimbursement of PAGA Counsel’s reasonable litigation expenses

1 incurred in litigating and resolving the Action; if the Court approves a lesser amount, then the difference
2 shall remain part of the Net Settlement Amount.

3 3.24. PAGA Counsel Fee Award. “PAGA Counsel Fee Award” means one-third (1/3) of
4 the Gross Settlement Amount, or one hundred thirty-five thousand dollars and zero cents (\$135,000.00),
5 whichever amount is greater, payable from the Gross Settlement Amount and due to PAGA Counsel as
6 reasonable attorneys’ fees for litigating and resolving the Action; if the Court approves a lesser amount,
7 then the difference shall remain part of the Net Settlement Amount.

8 3.25. PAGA Notice. “PAGA Notice” means Plaintiff’s April 26, 2021 notice to the
9 LWDA and Defendant M.C. Builder, Corp. in LWDA Case No. LWDA-CM-830308-21 and Plaintiff’s
10 September 22, 2023 amended notice to the LWDA and Defendants.

11 3.26. PAGA Pay Period. “PAGA Pay Period” means any weeklong period that begins on
12 Sunday and ends on Monday during the PAGA Period and includes Defendants’ regularly recurring
13 weekly pay periods during which an Aggrieved Employee worked at least one (1) day during the PAGA
14 Period, which the Settlement Administrator credits individual Aggrieved Employees when calculating
15 Individual PAGA Payments.

16 3.27. PAGA Pay Period 5% Escalation Cap Clause. “PAGA Pay Period 5% Escalation
17 Cap Clause” means the conditional term that provides: if Aggrieved Employees’ aggregated PAGA Pay
18 Periods exceeds six thousand, four hundred forty (6,440) PAGA Pay Periods by five percent (5%) (i.e., if
19 Aggrieved Employees’ aggregated PAGA Pay Periods exceeds 6,440 by more than 322 additional PAGA
20 Pay Periods), then Aggrieved Employees’ aggregated PAGA Pay Periods shall be capped as of the day
21 prior to the date when their aggregated PAGA Pay Periods exceeds 6,762 ($6,440 \times 0.05 = 6,762$).

22 3.28. PAGA Payment. “PAGA Payment” means the aggregate amount, estimated to be
23 no less than two hundred thirty thousand dollars and zero cents (\$230,000.00), payable from the Gross
24 Settlement Amount, in a seventy-five percent (75%) share to the LWDA as the PAGA Payment to the
25 LWDA, and in a twenty-five percent (25%) share to Aggrieved Employees as the PAGA Payment to
26 Aggrieved Employees; if the Court approves a lesser amount, then the difference shall remain part of the
27 Net Settlement Amount.

28 3.29. PAGA Payment to Aggrieved Employees. “PAGA Payment to Aggrieved

Employees” means the amount, estimated to be no less than fifty-seven thousand five hundred dollars, and zero cents (\$57,500.00), payable from the Gross Settlement Amount and due to Aggrieved Employees, as Aggrieved Employees’ aggregate twenty-five percent (25%) share of the PAGA Payment.

3.30. PAGA Payment to the LWDA. “PAGA Payment to the LWDA” means the amount, estimated to be no less than one hundred seventy-two thousand five hundred dollars, and zero cents (\$172,500.00), payable from the Gross Settlement Amount and due to the LWDA, as the LWDA’s seventy-five percent (75%) share of the PAGA Payment.

3.31. PAGA Period. “PAGA Period” means the period that begins on April 26, 2020, and ends on September 30, 2023.

3.32. PAGA Representative Service Award. “PAGA Representative Service Award” means seven thousand, five hundred dollars, and zero cents (\$7,500.00) payable from the Gross Settlement Amount and due to Plaintiff, separate from any Individual PAGA Payment, for Plaintiff’s efforts and risks in bringing and resolving the Action and in exchange for Defendants’ demand for Plaintiff’s release of Plaintiff’s Further Released Claims; if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

3.33. PAGA Settlement. “PAGA Settlement” means the settlement and release of the Released PAGA Claim, which Plaintiff brought against Defendants, as a deputized PAGA representative of the State of California, which shall only bind the State of California and Plaintiff, and from which Aggrieved Employees shall not be entitled to opt out. The PAGA Settlement shall not release any Aggrieved Employee’s individual claims for wages, damages, or other private rights of action.

3.34. Parties’ Counsel. “Parties’ Counsel” means Plaintiff and Defendants’ attorneys of record in the Action.

3.35. Plaintiff. “Plaintiff” means Plaintiff Carlos Gonzalez.

3.36. Plaintiff’s Further Released Claims. “Plaintiff’s Further Released Claims” means the claims and causes of action Plaintiff, individually, in addition to the claims and causes of action Plaintiff settles and releases as part of the Released PAGA Claim, further settles and releases against the Released Parties including by waiver of all rights, protections, and benefits under California Civil Code section 1542, which includes claims related to Plaintiff’s employment or relationship with Defendants,

1 claims alleged in the Action, and all claims known and unknown that may have existed at the time Plaintiff
2 signs this Settlement Agreement except as may be prohibited by law such as claims for unemployment
3 insurance, disability insurance, social security benefits, workers' compensation claims, any claims or
4 causes of action arising from any event or controversy occurring after the time Plaintiff signs this
5 Settlement Agreement, and any obligation arising from this Settlement Agreement.

6 3.37. Qualified Settlement Fund. "Qualified Settlement Fund" means the interest-bearing
7 settlement fund, account, or trust the Settlement Administrator establishes pursuant to applicable state and
8 federal rules that meets the requirements of a qualified settlement fund under United States Treasury
9 Regulation section 468B-1.

10 3.38. Released Claims. "Released Claims" means Plaintiff's Further Released Claims
11 and the Released PAGA Claim.

12 3.39. Released PAGA Claim. "Released PAGA Claim" means any and all claims, debts,
13 liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, civil penalties, causes of
14 action, that are pleaded, or that could have been pleaded, based on the facts and allegations in the Action
15 under the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698-2699.8,
16 *et seq.*), the facts and allegations in the PAGA Notice to the LWDA and Defendants in LWDA Case No.
17 LWDA-CM-830308-21, and as alleged or reasonably could have been alleged based on the facts and
18 allegations in the operative complaint in the Action, which could have been sought by the Labor
19 Commissioner for the violations identified in Plaintiff's PAGA Notice, including the claims based on
20 alleged violations of California Labor Code sections 200, 226, 500, 510, 1194, 1197, 1198, 221, 222, 223,
21 224, 226.7, 512, 558, 1198, 2802, 2804, 201, 202, 203 and Industrial Welfare Commission Order No. 16.

22 3.40. Released Parties. "Released Parties" means Defendants and their current and
23 former agents, officers, employees, directors, owners, shareholders, members, subsidiaries, affiliates,
24 parent companies, insurers, attorneys, and other related persons, who may be liable for any of the Released
25 Claims.

26 3.41. Settlement. "Settlement" means the disposition of the Action effected by this
27 Agreement and the Judgment.

28 3.42. Settlement Administration Costs. "Settlement Administration Costs" means an

1 amount, not exceeding seven thousand, five hundred dollars, and zero cents (\$7,500.00), payable from the
2 Gross Settlement Amount and due to the Settlement Administrator, for performing the notice and
3 settlement administration duties pursuant to this Settlement Agreement; if the Court approves a lesser
4 amount, then the difference shall remain a part of the Net Settlement Amount.

5 3.43. Settlement Administrator. “Settlement Administrator” means Phoenix Class Action
6 Administration Solutions, a third-party, whom the Parties have agreed to request the Court appoint as the
7 Settlement Administrator to perform notice and settlement administration duties pursuant to this
8 Settlement Agreement.

9 3.44. Unclaimed Property Fund. “Unclaimed Property Fund” means the California
10 Controller’s Unclaimed Property Fund (Cal. Code Civ. Proc. § 1314).

11 **III. RELEVANT PROCEDURAL HISTORY**

12 4. 04/26/21 PAGA Notice, as Amended. On April 26, 2021, Plaintiff sent a PAGA notice to
13 the LWDA and Defendant M.C. Builder, Corp., in LWDA Case No. LWDA-CM-830308-21, as amended
14 on September 22, 2023, alleging Defendants violated various provisions of the California Labor Code and
15 other laws along with the facts and theories supporting the alleged violations including those alleged in
16 the operative complaint in the Action.

17 5. 06/16/21 Complaint. On June 16, 2021, Plaintiff filed a PAGA cause of action against
18 Defendants for alleged violations of California laws involving: (1) payment of wages, (2) meal periods;
19 (3) rest periods; (4) business expenses; (5) wage statements; and (6) final wages.

20 6. 06/07/22 First Amended Complaint. On June 7, 2022, Plaintiff filed a First Amended
21 Complaint alleging Defendants violated the same California laws as alleged in the 06/16/21 Complaint
22 and further alleged the PAGA Period began on April 26, 2020 (one (1) year prior to Plaintiff’s 04/26/21
23 PAGA Notice).

24 7. Plaintiff’s Discovery and Investigation. Prior to filing the Action, Plaintiff and Plaintiff’s
25 Counsel engaged in substantial investigation about Defendants’ business practices in California. After the
26 Action was filed and prior to mediation, the Parties engaged in formal discovery, and informal exchange
27 of information for mediation purposes. Plaintiff obtained documents, data and information from
28 Defendants and other sources including, but not limited to, a sampling of Aggrieved Employee time and

1 pay records consisting of a large volume of data indicative of Defendants' timekeeping, recordkeeping
2 and wage payment policies and practices.

3 8. 09/14/23 Mediation and Agreement to Settle the Action. On September 14, 2023, the
4 Parties participated in a private mediation session with an experienced wage and hour and PAGA action
5 mediator, Steve Pearl, Esq., which was ultimately unsuccessful. Nevertheless, while the Parties worked
6 concurrently to advance litigation, Mr. Pearl continued to facilitate settlement discussions. The Parties'
7 arm's-length negotiations led to the Parties' October 25, 2023 agreement to settle.

8 **IV. RECITALS AND REPRESENTATIONS**

9 9. This Settlement is Fair, Adequate, and Reasonable. The Parties represent this Settlement
10 Agreement is a fair, adequate, and reasonable settlement of the Action and that the Parties arrived at this
11 Settlement Agreement after extensive arm's-length negotiations while accounting for materially relevant
12 factors, present and potential. The Parties further agree the consideration described herein constitutes
13 adequate consideration for the settlement and releases described herein.

14 9.1. Defendants' Representations About Aggrieved Employees and PAGA Pay Periods.
15 Defendants represent, based on their records around the time of the Parties' 09/14/23 mediation,
16 Aggrieved Employees consisted of an estimated two hundred fifty-six (256) persons, who Defendant M.C.
17 Builder Corp. employed during an estimated six thousand, four hundred forty (6,440) PAGA Pay Periods
18 during the PAGA Period.

19 9.2. No Awareness Settlement May Extinguish or Affect Claims in Other Filed Case.
20 The Parties and Parties' Counsel represent they are not aware of any other pending matter or action
21 asserting claims that shall be extinguished or affected by this Settlement Agreement.

22 9.3. No Admissions by Defendants or Plaintiff. Defendants deny all claims alleged in
23 the Action and all wrongdoing, contend they have complied with all applicable state, federal and local
24 laws, and reserve their rights to assert all available defenses to Plaintiff's claims in the Action. Defendant
25 Ernest Casto specifically denies that he employed any persons individually during the PAGA Period or
26 that he implemented allegedly unlawful wage and hour policies or practices. The Parties maintain nothing
27 contained in this Settlement Agreement, no documents referred to herein, and no action the Parties have
28 undertaken to effectuate this Settlement Agreement should be construed or used as an admission by or

1 against any of the Parties about the merits of the claims asserted in the Action.

2 9.4. No Conflicts of Interest with Relevant Third-Parties. The Parties and Parties'
3 Counsel represent they do not have any financial interest in the Settlement Administrator, or otherwise
4 have a relationship with the Settlement Administrator, or any third party that could create an appearance
5 of a conflict of interest. Plaintiff's Counsel represents the Settlement Administrator offered the lowest
6 proposed bid amount in response to Plaintiff's Counsel's solicitation of bids from at least three (3)
7 potential settlement administrators during a competitive bid process.

8 10. No Tax Advice. The Parties and Parties' Counsel represent no provision of this Settlement
9 Agreement or other communications or disclosures is, or was intended to constitute, tax advice. The
10 Parties and Parties' Counsel further represent they: (i) shall be solely responsible for reporting and paying
11 any applicable federal, state and/or local income tax, employment tax or any other withholding on all
12 taxable income or other benefit they individually receive as consideration exchanged pursuant to this
13 Settlement Agreement; (ii) have relied exclusively upon their own, independent legal and tax advisors for
14 tax advice in connection with this Settlement Agreement; and (iii) in keeping with their individual rights
15 to due process, shall not be entitled to rely upon any communication or disclosure by Plaintiff, Defendants
16 or Parties' Counsel to avoid the payment of any assessment, penalty, tax, attorneys' fees, or other amounts
17 based on the taxability of any consideration provided or exchanged pursuant to this Settlement Agreement.

18 **V. SETTLEMENT ADMINISTRATOR AND SETTLEMENT ADMINISTRATION DUTIES**
19 **GENERALLY**

20 11. Appointment of Settlement Administrator. The Parties have agreed to request the Court to
21 appoint Phoenix Class Action Administration Solutions as the third-party Settlement Administrator to
22 perform settlement administration duties pursuant to this Settlement Agreement.

23 12. Settlement Administrator's General Duties During Settlement Administration. The
24 Settlement Administrator shall perform express and implied settlement administration tasks pursuant to
25 this Settlement Agreement and customary to PAGA action settlement administration including: (i)
26 communicating with the Parties, Parties' Counsel, and Aggrieved Employees or other persons affected by
27 this Settlement Agreement as a neutral, fiduciary, third-party; (ii) accepting, validating, updating, and
28 maintaining the Aggrieved Employee List; (iii) establishing a Qualified Settlement Fund to collect and

1 disburse all Settlement payments; (iv) preparing and reporting all employee payroll or other tax
2 obligations to appropriate government agencies and other persons exchanging monetary consideration
3 under the Settlement Agreement; (v) translating the Individual PAGA Payment Letter into Spanish, and
4 printing and mailing Individual PAGA Payment Letters in English and Spanish; (vi) disbursing Individual
5 PAGA Payments to Aggrieved Employees and all other Settlement payments to other persons entitled to
6 monies pursuant to this Settlement Agreement; and (vii) transferring uncashed Individual PAGA
7 Payments to the Unclaimed Property Fund.

8 12.1. Settlement Administrator's Secure Recordkeeping and File Maintenance. The
9 Settlement Administrator shall secure and protect Aggrieved Employee information, including all
10 information in the Aggrieved Employee List, from unauthorized access, use, deletion, and modification,
11 shall exercise its best judgment and discretion to limit the disclosure of Aggrieved Employee information
12 to only those persons who need it to implement the terms and conditions of this Settlement Agreement,
13 and shall maintain all records related to the settlement administration tasks it performs for at least four (4)
14 years after settlement administration has been completed.

15 12.2. Settlement Administrator's Records of Communication with Aggrieved Employees
16 and Aggrieved Employee List Maintenance. The Settlement Administrator shall create and maintain
17 records of all communications with Aggrieved Employees or other persons affected by this Settlement
18 Agreement including by promptly and continuously updating the Aggrieved Employee List with all
19 material notes and information to ensure it possesses the most accurate information about Aggrieved
20 Employees throughout settlement administration and by maintaining records of documents it sends to and
21 receives from Aggrieved Employees including the Settlement Administrator's own notes describing its
22 communications with Aggrieved Employees and other persons affected by this Settlement Agreement.

23 12.3. Communications with Aggrieved Employees in English and Spanish. If an
24 Aggrieved Employee indicates Spanish is a preferred language, then the Settlement Administrator shall
25 undertake reasonable efforts to communicate in Spanish with the Aggrieved Employee.

26 13. Contents of Individual PAGA Payment Letter in General. The Parties agree to request the
27 Court approve an Individual PAGA Payment Letter, substantially in the form attached as **Exhibit 1**, which
28 the Parties agree shall be incorporated into the Court's Approval Order and that the Settlement

1 Administrator shall mail to Aggrieved Employees along with Individual PAGA Payment checks that shall
2 include statements indicating: (i) a brief explanation of the Action and the reason individual Aggrieved
3 Employees are receiving Individual PAGA Payment checks; (ii) the Settlement and Judgment shall not
4 settle or release any Aggrieved Employee's individual claims for wages or damages or any individual
5 private rights of action against any person; (iii) the Settlement Administrator's intent to mail Aggrieved
6 Employees' Individual PAGA Payment checks in two (2) disbursements at least eighteen (18) months
7 apart; (iv) Individual PAGA Payment amounts are based on the number of PAGA Pay Periods which each
8 individual Aggrieved Employee worked for Defendant M.C. Builder, Corp. according to Defendants'
9 records; (v) Individual PAGA Payment checks shall be reported as nonemployee income on IRS Form
10 1099; (vi) uncashed Individual PAGA Payment checks shall be automatically voided after one hundred
11 twenty (120) days of the Settlement Administrator's bulk mailing of Individual PAGA Payment checks
12 and that if any such check from the Settlement Administrator's first disbursement has not been cashed or
13 negotiated by that time, then they shall automatically become void and all amounts associated with the
14 voided checks shall be earmarked for disbursement to affected Aggrieved Employees during the second
15 disbursement; and (vii) the Settlement Administrator shall, after the date second disbursements of
16 Individual PAGA Payment checks become void, transfer all amounts associated with voided Individual
17 PAGA Payment check amounts to the Unclaimed Property Fund for deposit in the name of affected
18 Aggrieved Employees.

19 **VI. SETTLEMENT CONSIDERATION, GROSS SETTLEMENT AMOUNT FUNDING,**
20 **AND RELEASED CLAIMS ON AND AFTER EFFECTIVE DATE**

21 14. No Release of Claims Against any Other Defendants. Defendant M.C. Builder, Corp., a
22 California corporation, and defendant Ernest Casto, a natural person, are the only named defendants in the
23 Action and the only persons defined as a "Defendants" in this Settlement Agreement and, as such, this
24 Settlement Agreement shall not cause the settlement or release of any claim against any person, unless the
25 claim qualifies under the definition of Released Claims and the person released qualifies under the
26 definition of Released Parties.

27 14.1. No Claim-Submission Process. This Settlement Agreement does not include a
28 claim form submission process or require the submission of a claim as a condition precedent to establish

1 an entitlement to any Settlement payment and, as such, Aggrieved Employees shall not receive, nor shall
2 they be required to submit, a claim or a claim form to be entitled to an Individual PAGA Payment.

3 14.2. Non-Reversionary Nature of Settlement Agreement. No portion of the Gross
4 Settlement Amount shall revert to Defendants or result in any unpaid or undisbursed residue.

5 14.3. No Employee Benefits Conferred as a Result of Individual PAGA Payments. No
6 Individual PAGA Payment disbursement or other Settlement payment disbursement shall obligate
7 Defendants to confer any additional benefits or make any additional payments to Aggrieved Employees
8 or any other person (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

9 14.4. Settlement Payments Reported as Nonemployee Income on IRS Form 1099. The
10 Settlement Administrator shall report all Settlement payments disbursed as nonemployee income on IRS
11 Form 1099-MISC or similar IRS form unless expressly stated otherwise.

12 15. Gross Settlement Amount. The non-reversionary Gross Settlement Amount shall be no less
13 than four hundred five thousand dollars and zero cents (\$405,000.00), which Defendants agree to pay to
14 establish a common settlement fund the Settlement Administrator shall maintain in a Qualified Settlement
15 Fund and from where the Settlement Administrator shall disburse the following payments: (1) Settlement
16 Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Payment to Aggrieved
17 Employees; (4) the PAGA Representative Service Award; (5) the PAGA Counsel Cost Award; and (6)
18 the PAGA Counsel Fee Award, which shall include the monetary consideration Defendants offer in
19 exchange for the releases of the Released Claims.

20 15.1. Settlement Administrator's Use of Defendants' Aggrieved Employees and
21 Aggregate PAGA Pay Periods Estimate. The Settlement Administrator shall determine whether the PAGA
22 Pay Period 5% Escalation Cap Clause conditional term becomes effective during settlement
23 administration by using Defendants' representation, based on their records around the time of the Parties'
24 09/14/23 mediation, Aggrieved Employees consisted of an estimated two hundred fifty-six (256) persons,
25 who Defendants employed during an estimated six thousand, four hundred forty (6,440) PAGA Pay
26 Periods during the PAGA Period.

27 15.2. Settlement Administrator's Notice of the PAGA Pay Period 5% Escalation Cap
28 Clause's Effect or Potential Effect. If the Settlement Administrator concludes, or reasonably suspects,

1 Aggrieved Employees' aggregated PAGA Pay Periods exceeds six thousand, four hundred forty (6,440)
2 PAGA Pay Periods by five percent (5%) (i.e., if the Settlement Administrator determines, or reasonably
3 suspects, Aggrieved Employees' aggregated PAGA Pay Periods exceeds 6,440 by more than 322
4 additional PAGA Pay Periods), then, by no later than three (3) business days thereafter, the Settlement
5 Administrator shall provide Parties' Counsel written notice it has concluded, or intends on further
6 investigating to conclude whether, the PAGA Pay Period 5% Escalation Cap Clause conditional term has
7 become effective.

8 15.3. Settlement Administrator's Individual PAGA Payments to Aggrieved Employees
9 if PAGA Pay Period 5% Escalation Cap Clause's is Effective. If the Settlement Administrator concludes
10 the PAGA Pay Period 5% Escalation Cap Clause becomes effective during settlement administration,
11 then, by no later than three (3) business days thereafter, the Settlement Administrator shall provide Parties'
12 Counsel written notice of the day prior to the date when Aggrieved Employees' aggregated PAGA Pay
13 Periods exceeds 6,762 ($6,440 \times 0.05 = 6,762$), the number of Aggrieved Employees' aggregated PAGA
14 Pay Periods PAGA Pay Periods as of that day, and the Settlement Administrator shall reconcile the
15 amounts payable and shall disburse Individual PAGA Payments to Aggrieved Employees in accordance
16 with their individually aggregated PAGA Pay Periods.

17 16. Net Settlement Amount. The Net Settlement Amount shall be the amount, estimated to be
18 no less than fifty-seven thousand, five hundred dollars, and zero cents (\$57,500.00), payable from the
19 Gross Settlement Amount and due to Aggrieved Employees as their aggregate twenty-five percent (25%)
20 share of the PAGA Payment and any amounts of accrued interest or residue in the Qualified Settlement
21 Fund, which shall be determined by subtracting from the Gross Settlement Amount the amounts payable
22 as: (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA
23 Representative Service Award; (4) the PAGA Counsel Cost Award; and (5) the PAGA Counsel Fee Award
24 from the Gross Settlement Amount.

25 16.1. To the Settlement Administrator – Settlement Administration Costs. An amount not
26 exceeding seven thousand, five hundred dollars, and zero cents (\$7,500.00), which amount Defendants
27 agree not to oppose, shall be payable from the Gross Settlement Amount and due to the Settlement
28 Administrator for the Settlement Administrator's performance of the express and implied settlement

administration tasks pursuant to this Settlement Agreement; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.2. To the LWDA – PAGA Payment to the LWDA. An amount, estimated to be no less than one hundred seventy-two thousand five hundred dollars, and zero cents (\$172,500.00), which amount Defendants agree not to oppose, shall be payable from the Gross Settlement Amount and due to the LWDA as its seventy-five percent (75%) share of the PAGA Payment for the State of California’s settlement and release of the Released PAGA Claim against the Released Parties; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.3. To Plaintiff – PAGA Representative Service Award. An amount not exceeding seven thousand five hundred dollars, and zero cents (\$7,500.00), which amount Defendants agree not to oppose, shall be payable from the Gross Settlement Amount and due to Plaintiff, separate from any Individual PAGA Payment, for Plaintiff’s efforts and risks in bringing and resolving the Action and in exchange for Plaintiff’s Further Released Claims as a condition of the Settlement Agreement, which the Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.4. To PAGA Counsel – PAGA Counsel Cost Award. An amount not exceeding twenty-five thousand dollars and zero cents (\$25,000.00), which amount Defendants agree not to oppose, shall be payable from the Gross Settlement Amount and due to PAGA Counsel for reimbursement of PAGA Counsel’s reasonable litigation expenses incurred in litigating and resolving the Action, which the Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.5. To PAGA Counsel – PAGA Counsel Fee Award. An amount equal to one-third (1/3) of the Gross Settlement Amount, or one hundred thirty-five thousand dollars and zero cents (\$135,000.00), whichever amount is greater, which amount Defendants agree not to oppose, shall be payable from the Gross Settlement Amount and due to PAGA Counsel as reasonable attorneys’ fees for litigating and resolving the Action, which the Settlement Administrator shall report as nonemployee

income on IRS Form 1099-MISC or similar IRS form; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.6. To Aggrieved Employees Including Plaintiff – PAGA Payment to Aggrieved Employees. An amount, estimated to be no less than fifty-seven thousand five hundred dollars and zero cents (\$57,500.00), which amount Defendants agree not to oppose, shall be payable from the Gross Settlement Amount and due to Aggrieved Employees, as Aggrieved Employees' aggregate twenty-five percent (25%) share of the PAGA Payment which the Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form; and if the Court approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

16.6.1. PAGA Payment to Aggrieved Employees Paid as Individual PAGA Payments. Individual PAGA Payments payable and due to Aggrieved Employees shall be based on Aggrieved Employees' respective pro rata shares of the PAGA Payment to Aggrieved Employees, which shall be determined by the following process: the Settlement Administrator shall divide the PAGA Payment to Aggrieved Employees by each Aggrieved Employee's aggregated pay periods worked during the PAGA Period.

16.6.2. Individual PAGA Payments and Net Settlement Amount Payments to Aggrieved Employees Shall Not Release Any Aggrieved Employee Individual Claims or Private Rights of Action. No Individual PAGA Payments payable and due to Aggrieved Employees including any additional amounts the Settlement Administrator disburses to Aggrieved Employees when disbursing the Net Settlement Amount as a result of accrued interest or other residue that remains in the Qualified Settlement Fund nor any Aggrieved Employees use or enjoyment of any monies received pursuant to this Settlement, shall constitute consideration offered or exchanged for the settlement or release of any Aggrieved Employees' claims for wages or damages or any individual private rights of action against any person.

17. Defendants' Funding of Gross Settlement Amount in Accordance with the Court's Finally-Approved Installment Payment and Settlement Payment Disbursement Schedule. The Parties agree to request the Court's approval of an Installment Payment and Settlement Payment Disbursement Schedule, substantially in the form attached as **Exhibit 2**, which the Parties agree shall be incorporated into the

1 Court's Approval Order that shall constitute the schedule of dates Defendants shall remit the Gross
2 Settlement Amount to the Settlement Administrator in Installment Payments during the Installment
3 Period, which the Settlement Administrator shall deposit in an interest-bearing Qualified Settlement Fund,
4 from which the Settlement Administrator shall disburse Settlement payments, as follows.

5 17.1. Defendants' Installment Payments to the Settlement Administrator During the
6 Installment Period. Defendants shall remit each Installment Payment to the Settlement Administrator in
7 thirty-six (36) monthly payments of no less than eleven thousand, two hundred fifty dollars, and zero cents
8 (\$11,250.00) during the Installment Period, which shall be due on the first day of each month beginning
9 on the first day of the first full month that starts at least fifteen (15) days after the Effective Date and ends
10 on the first day of the month thirty-five (35) months thereafter.

11 17.2. Settlement Administrator's Two Settlement Payment Disbursements. If the
12 Settlement Administrator receives all Installment Payments in full when they are due, then the Settlement
13 Administrator shall disburse Settlement payments to itself, the LWDA, Aggrieved Employees, Plaintiff,
14 and PAGA Counsel in two (2) disbursements, with the first disbursement occurring during the month after
15 the eighteenth (18th) month of the Installment Period, or by no later than the month after the date the
16 Settlement Administrator receives the first one-half (1/2) of the Gross Settlement Amount, whichever date
17 occurs first, and the second disbursement occurring during the month after the thirty-sixth (36th) month
18 of the Installment Period, or by no later than the month after the date the Settlement Administrator receives
19 the second one-half (1/2) of the Gross Settlement Amount, whichever date occurs first.

20 18. Releases of Claims Against Released Parties. If Defendants perform their obligations
21 during Settlement Administration, culminating in Defendants remitting the entire Gross Settlement
22 Amount to the Settlement Administrator, then the Released Claims shall be released as follows.

23 18.1. California and Plaintiff's Release of Released PAGA Claim. If Defendants remit
24 the Gross Settlement Amount in full to the Settlement Administrator, then Plaintiff and the State of
25 California, by and through Plaintiff, its deputized PAGA representative, shall be deemed to have settled
26 and released the Released PAGA Claim against the Released Parties including any and all claims, debts,
27 liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, civil penalties, causes of
28 action, that are pleaded, or that could have been pleaded, based on the facts and allegations in the Action

1 under the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698-2699.8,
2 *et seq.*), the facts and allegations in the PAGA Notice to the LWDA and Defendants in LWDA Case No.
3 LWDA-CM-830308-21, and as alleged or reasonably could have been alleged based on the facts and
4 allegations in the operative complaint in the Action, which could have been sought by the Labor
5 Commissioner for the violations identified in Plaintiff's PAGA Notice.

6 18.2. Plaintiff's Release of Plaintiff's Further Released Claims. If Defendants remit the
7 Gross Settlement Amount in full to the Settlement Administrator, then, Plaintiff shall be deemed to have
8 settled and released Plaintiff's Further Released Claims against the Released Parties including all claims
9 and causes of action, that Plaintiff, individually, and in addition to the claims and causes of action Plaintiff
10 settles and releases as part of the Released PAGA Claim, expressly and further releases against the
11 Released Parties including by waiver of all rights, protections, and benefits of California Civil Code
12 section 1542, which provides:

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

16 Plaintiff's Further Released Claims, hence, includes a release and waiver of all claims known and
17 unknown, which includes claims related to Plaintiff's employment or relationship with Defendants, claims
18 alleged in the Action, and all claims known and unknown that may have existed at the time Plaintiff signs
19 this Settlement Agreement except as may be prohibited by law such as claims for unemployment
20 insurance, disability insurance, social security benefits, workers' compensation claims, any claims or
21 causes of action arising out of any event or controversy occurring after the time Plaintiff signs this
22 Settlement Agreement, and any obligation arising out of this Settlement Agreement.

23 **VII. MOTION FOR APPROVAL AND ENTRY OF JUDGMENT**

24 19. Plaintiff's Motion for the Court's Grant of an Approval Order. No later than sixteen (16)
25 court days before the Approval Hearing, Plaintiff shall file documents in support of Plaintiff's motion for
26 approval, which shall seek, among other things, the Court's grant of an Approval Order, substantially in
27 the form attached as **Exhibit 3**, approving this Settlement Agreement for settlement purposes only,
28 ordering Defendants to remit the Gross Settlement Amount to the Settlement Administrator, appointing

1 and ordering the Settlement Administrator to disburse the amounts payable pursuant to the Settlement,
2 and setting a date for the Court's review of Settlement payment disbursements.

3 19.1. Plaintiff's Responsibilities in Support of Approval. Plaintiff shall prepare and
4 deliver to Defendants' Counsel all documents necessary for obtaining approval of this Settlement for
5 Defendants' review and comments including: (i) Plaintiff's notice and a memorandum of points and
6 authorities in support of Plaintiff's motion for the Court's entry of an Approval Order; (ii) Plaintiff's
7 declaration supporting the fairness, reasonableness, and adequacy of the Settlement including facts
8 demonstrating Plaintiff's exhaustion of administrative remedies and establishing Plaintiff's status as a
9 deputized PAGA representative; (iii) PAGA Counsel's declaration supporting the fairness,
10 reasonableness, and adequacy of the Settlement including facts and analysis demonstrating Defendants'
11 potential liability and monetary exposure under PAGA, facts demonstrating Plaintiff's timely transmission
12 of necessary notices to the LWDA including notice of Plaintiff's motion for approval, facts relevant to
13 any actual or potential conflicts of interest with the Settlement Administrator, and an averment that
14 Plaintiff and PAGA Counsel are not aware of any other pending matter or action asserting claims that
15 shall be extinguished or adversely affected by the Settlement; (iv) the Settlement Administrator's
16 declaration attaching its "not to exceed" bid for administering the Settlement, attesting to its willingness
17 to serve, its competency, its operative procedures for protecting the security of Aggrieved Employee data
18 including in the Aggrieved Employee List, the amounts of insurance coverage for any data breach,
19 defalcation of funds or other misfeasance, and facts relevant to any actual or potential conflicts of interest
20 with Aggrieved Employees, Plaintiff, PAGA Counsel or Defense Counsel; (v) a draft proposed Order
21 Granting Approval of Stipulation and PAGA Settlement, substantially in the form attached as **Exhibit 3**;
22 and (v) a draft proposed Judgment, substantially in the form attached as **Exhibit 4**.

23 19.2. Defendants' Responsibilities in Support of Approval. Within fourteen (14) days of
24 the full execution of this Settlement Agreement, Defendants shall prepare and deliver to PAGA Counsel
25 one (1) or more signed declarations from Defendants, Defendants' Counsel, or other persons with personal
26 knowledge disclosing: (i) facts relevant to Defendants' financial condition supporting Defendants'
27 representations during negotiations with Plaintiff and PAGA Counsel that led to the Parties' agreement
28 enabling Defendants to fund the Gross Settlement Amount in Installment Payments (ii) facts relevant to

any actual or potential conflicts of interest with the Settlement Administrator; and (iii) an averment that Defendants or Defendants' Counsel are not aware of any other pending matter or action asserting claims that shall be extinguished or adversely affected by the Settlement.

20. Plaintiff's Motion for Entry of Judgment. At the time Plaintiff moves for approval of the Settlement, Plaintiff shall also move the Court to enter a Judgment, substantially in the form attached as **Exhibit 4**, which shall seek, among other things, final adjudication of this Action and provisions for the Court's retention of jurisdiction over the Parties including to enforce the terms of the Judgment.

21. Notice of Approval Order and Judgment. If the Court grants the Approval Order and enters Judgment thereon, then Plaintiff shall provide a copy of the Approval Order and the accompanying Judgment to the LWDA within ten (10) days of entry and to the Settlement Administrator, who shall promptly upload copies of the Approval Order and Judgment on its website for the duration of settlement administration. No individualized notice regarding the entry of the Approval Order and Judgment shall be required to be provided to Aggrieved Employees or other persons who may be entitled to notice.

VIII. SETTLEMENT ADMINISTRATION AFTER APPROVAL AND EFFECTIVE DATE

22. Settlement Administrator's Establishment of a Qualified Settlement Fund After Approval. If the Court grants an Approval Order and enters Judgment thereon, causing the Effective Date to occur, then, no later than seven (7) days thereafter, the Settlement Administrator shall establish a Qualified Settlement Fund, which shall be an interest-bearing account, to deposit Gross Settlement Amount payments, and disburse Settlement payments therefrom; all accrued interest shall remain part of the Net Settlement Amount and shall be disbursed to Aggrieved Employees.

23. Defendants' Provision of the Aggrieved Employee List to the Settlement Administrator. If the Court grants an Approval Order and enters Judgment thereon, causing the Effective Date to occur, then, no later than fifteen (15) days thereafter, Defendants shall provide the Settlement Administrator with the Aggrieved Employee List.

23.1. Settlement Administrator's Verification of Aggrieved Employee Current Addresses and Presumption of Accuracy. Prior to mailing Individual PAGA Payment Letters and Individual PAGA Payment checks to Aggrieved Employees, the Settlement Administrator shall search the National Change of Address Database maintained by the United States Postal Service and perform skip

tracing or other verification procedures to verify Aggrieved Employees' current addresses, and the addresses the Settlement Administrator determines as Aggrieved Employees' current mailing addresses shall be presumed accurate.

23.2. Duty to Notify, Correct, Update, and Maintain Aggrieved Employee Data in the Aggrieved Employee List. Defendants and Defendants' Counsel shall have a continuing duty to immediately notify PAGA Counsel and the Settlement Administrator if they discover the Aggrieved Employee List omitted Aggrieved Employee identifying information and to provide corrected or updated Aggrieved Employee data as soon as reasonably feasible. If Defendants, Plaintiff, Parties' Counsel, or the Settlement Administrator discovers Aggrieved Employee information has been omitted or is incomplete in the Aggrieved Employee List, then the Parties and Parties' Counsel shall expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee information in the Aggrieved Employee List.

24. Defendants' Installment Payments to the Settlement Administrator. If the Court grants an Approval Order and enters Judgment thereon, causing the Effective Date to occur, then Defendants shall remit each Installment Payment to the Settlement Administrator in thirty-six (36) monthly payments of no less than eleven thousand, two hundred fifty dollars, and zero cents (\$11,250.00), during the Installment Period, which shall be due on the first day of each month beginning on the first day of the first full month that starts at least fifteen (15) days after the Effective Date and ends on the first day of the month thirty-five (35) months thereafter.

24.1. Settlement Administrator's Notice of Delinquent Installment Payment to the Parties and Defendants' 7-Day Opportunity and Period to Cure. If the Settlement Administrator does not receive any Installment Payment amount via cash, check, or other authorized transfer of funds from Defendants, in full on the date it is due, or if any Installment Payment check or authorized transfer of funds is returned for non-sufficient-funds or for any other reason, then, by no later than three (3) business days thereafter, the Settlement Administrator shall provide notice of Defendants' delinquent payment to Parties' Counsel via certified mail, facsimile, or via email, and Defendants shall have seven (7) days after the date of the written notice to cure the delinquent payment by delivering the Installment Payment to the Settlement Administrator in full via a certified or cashier's check.

1 24.2. Interest Due on Delinquent Installment Payments to the Settlement Administrator
2 During the Installment Period. If Defendants fail to remit any Installment Payment to the Settlement
3 Administrator in full on the date it is due and fail to timely cure any delinquent Installment Payment
4 amount by paying the outstanding balance due by no later than seven (7) days after the date of the written
5 notice to cure the delinquent payment, then Defendants shall be obligated to pay ten percent (10%)
6 annualized interest on all amounts due and owing until Defendants remit the Installment Payment in full
7 to the Settlement Administrator along with the accrued interest; the accrued interest shall remain part of
8 the Net Settlement Amount and shall be disbursed to Aggrieved Employees.

9 24.3. Disbursement Process and Court Intervention if Installment Payments are Untimely
10 or Incomplete. If Defendants fail to remit any Installment Payment to the Settlement Administrator in full
11 on the date it is due and fail to timely cure any delinquent payment in advance of the Settlement
12 Administrator's two (2) planned Settlement payment disbursements, then the Settlement Administrator
13 shall refrain from disbursing any part of the Gross Settlement Amount until the Parties provide the
14 Settlement Administrator further instruction including by way of the Court's intervention or further orders.

15 25. Settlement Administrator's First Settlement Payment Disbursement. If the Settlement
16 Administrator receives all Installment Payments in full when they are due, then by no later than the month
17 after the eighteenth (18th) month of the Installment Period, or by no later than the month after the date the
18 Settlement Administrator receives the first one-half (1/2) of the Gross Settlement Amount, whichever date
19 occurs first, the Settlement Administrator shall disburse Settlement payments as follows.

20 25.1. First Settlement Administration Costs Disbursement to the Settlement
21 Administrator. The Settlement Administrator shall disburse the first one-half (1/2) of the Settlement
22 Administration Costs to itself for the Settlement Administrator's execution of settlement administration
23 duties.

24 25.2. First PAGA Payment to the LWDA Disbursement to the LWDA. The Settlement
25 Administrator shall disburse the first one-half (1/2) of the PAGA Payment to the LWDA to the LWDA
26 via secure wire transfer or by other secure means as fifty percent (50%) of the LWDA's seventy-five
27 percent (75%) share of the PAGA Payment.

28 25.3. First PAGA Representative Service Award and Individual PAGA Payment

1 Disbursement to Plaintiff. The Settlement Administrator shall disburse the first one-half (1/2) of the
2 PAGA Representative Service Award to Plaintiff, separate from any Individual PAGA Payment, for
3 Plaintiff's efforts and risks in bringing and resolving the Action, and the first one-half (1/2) of the
4 Individual PAGA Payment to Plaintiff as Plaintiff's individual pro rata share of the PAGA Payment to
5 Aggrieved Employees, via a check in Plaintiff's name, but mailed to PAGA Counsel, which the Settlement
6 Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form.

7 25.4. First PAGA Counsel Cost Award Disbursement to PAGA Counsel. The Settlement
8 Administrator shall disburse the first one-half (1/2) of the PAGA Counsel Cost Award to PAGA Counsel
9 via secure wire transfer for reimbursement of PAGA Counsel's reasonable litigation expenses incurred in
10 litigating and resolving the Action, which the Settlement Administrator shall report as nonemployee
11 income on IRS Form 1099-MISC or similar IRS form.

12 25.5. First PAGA Counsel Fee Award Disbursement to PAGA Counsel. The Settlement
13 Administrator shall disburse the first one-half (1/2) of the PAGA Counsel Fee Award to PAGA Counsel
14 via secure wire transfer as reasonable attorneys' fees for litigating and resolving the Action, which the
15 Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS
16 form.

17 25.6. First Individual PAGA Payment Disbursement and Individual PAGA Payment
18 Letters to Aggrieved Employees. The Settlement Administrator shall disburse the first one-half (1/2) of
19 the PAGA Payment to Aggrieved Employees to Aggrieved Employees as fifty percent (50%) of
20 Aggrieved Employees' aggregate twenty-five percent (25%) share of the PAGA Payment, which the
21 Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS
22 form, along with Individual PAGA Payment Letters.

23 25.6.1. Settlement Administrator's National Change of Address Search and First
24 Individual PAGA Payment Mailings by First Class U.S. Mail. The Settlement Administrator shall disburse
25 first Individual PAGA Payment checks and Individual PAGA Payment Letters to all Aggrieved
26 Employees via bulk First Class United States Mail, postage prepaid, addressed to each Aggrieved
27 Employees' last known mailing address based on data in the Aggrieved Employee List including all
28 updated data resulting from the Settlement Administrator's search for updated mailing addresses using the

1 National Change of Address Database prior to mailing. The Settlement Administrator shall mark all
2 envelopes transmitting first Individual PAGA Payments to Aggrieved Employees with the following
3 writing: "YOUR INDIVIDUAL PAGA PAYMENT CHECK IS ENCLOSED."

4 25.6.2. First Individual PAGA Payment Checks, 120-Day Void Date, and
5 Retention of Uncashed First Individual PAGA Payment Check Amounts for Second Individual PAGA
6 Payment Disbursement. The Settlement Administrator shall issue checks for first Individual PAGA
7 Payments, which shall prominently state the date one hundred twenty (120) days after the date of check
8 issuance and mailing when the check shall be automatically voided, shall void all checks not cashed or
9 negotiated by the void date, and shall retain any amounts of uncashed Individual PAGA Payment checks
10 in the Qualified Settlement Fund earmarked in the name of the affected Aggrieved Employee, in
11 preparation for the second Settlement payment disbursement.

12 25.6.3. 60-Day Reminder Postcard for Uncashed First Individual PAGA Payments
13 and Check Reissuance and Re-Mailing Prior to Void Date. No later than sixty (60) days after mailing first
14 Individual PAGA Payment checks in bulk, the Settlement Administrator shall mail a reminder postcard to
15 all Aggrieved Employees, who have not cashed or negotiated their Individual PAGA Payment checks,
16 that indicates their Individual PAGA Payment checks shall become void if they are not cashed or
17 negotiated by the 120-day Individual PAGA Payment check void date. If the Settlement Administrator
18 determines an Aggrieved Employee's first Individual PAGA Payment check has been misrouted,
19 misplaced, lost, or stolen, has not been cashed or negotiated prior to the date Individual PAGA Payment
20 checks becomes void, and possesses a current mailing address for the affected Aggrieved Employee, then,
21 by no later than the next business day, the Settlement Administrator shall promptly reissue and mail a
22 reissued Individual PAGA Payment check to the affected Aggrieved Employee.

23 25.6.4. Settlement Administrator's Further Skip Tracing for Undelivered First
24 Individual PAGA Payment Mailings to Formerly-Employed Aggrieved Employees and Re-Mailing Prior
25 to Void Date. If the Settlement Administrator receives an Individual PAGA Payment and Individual
26 PAGA Payment Letter returned as undelivered up to ten (10) days prior to the 120-day Individual PAGA
27 Payment check void date from an Aggrieved Employee, who was identified as formerly employed on the
28 Aggrieved Employee List, then, by no later than three (3) business days thereafter, the Settlement

1 Administrator shall attempt to determine another mailing address for the affected, formerly-employed
2 Aggrieved Employee by use of skip tracing or other verification or search procedures using the name,
3 address, telephone number, social security number and/or taxpayer identification number of the affected,
4 formerly-employed Aggrieved Employee. If the Settlement Administrator identifies another mailing
5 address for the affected, formerly-employed Aggrieved Employee, then, by no later than the next business
6 day, it shall re-mail the Individual PAGA Payment and Individual PAGA Payment Letter to the affected,
7 formerly-employed Aggrieved Employee. If the Settlement Administrator does not identify another
8 mailing address for the affected, formerly-employed Aggrieved Employee, then the Settlement
9 Administrator shall be deemed to have satisfied its obligations to attempt to re-mail the undelivered
10 Individual PAGA Payment and Individual PAGA Payment Letter to the affected, formerly-employed
11 Aggrieved Employee.

12 25.6.5. Settlement Administrator's Further Skip Tracing for Undelivered First
13 Individual PAGA Payment Mailings to Currently-Employed Aggrieved Employees and Delivery at Place
14 of Employment Prior to Void Date. If the Settlement Administrator receives a first Individual PAGA
15 Payment and Individual PAGA Payment Letter returned as undelivered up to ten (10) days prior to the
16 120-day Individual PAGA Payment check void date from an Aggrieved Employee, who was identified as
17 currently employed on the Aggrieved Employee List, then, by no later than three (3) business days
18 thereafter, the Settlement Administrator shall attempt to determine another mailing address for the
19 affected, currently-employed Aggrieved Employee by use of skip tracing or other verification or search
20 procedures using the name, address, telephone number, social security number and/or taxpayer
21 identification number of the affected, currently-employed Aggrieved Employee. If the Settlement
22 Administrator identifies another mailing address for the affected, currently-employed Aggrieved
23 Employee, then, by no later than the next business day, it shall re-mail the Individual PAGA Payment and
24 Individual PAGA Payment Letter to the affected, currently-employed Aggrieved Employee. If the
25 Settlement Administrator does not identify another mailing address for the affected, currently-employed
26 Aggrieved Employee, then the Settlement Administrator shall communicate with Defendants or
27 Defendants' Counsel to arrange for Defendants' delivery of the Individual PAGA Payment and Individual
28 PAGA Payment Letter to the affected, currently-employed Aggrieved Employee at his or her place of

1 employment.

2 26. Settlement Administrator's Second Settlement Payment Disbursement. If the Settlement
3 Administrator receives all Installment Payments in full when they are due, then by no later than the month
4 after the thirty-sixth (36th) month of the Installment Period, or by no later than the month after the date
5 the Settlement Administrator receives the second one-half (1/2) of the Gross Settlement Amount,
6 whichever date occurs first, the Settlement Administrator shall disburse Settlement payments as follows.

7 26.1. Second Settlement Administration Costs Disbursement to the Settlement
8 Administrator. The Settlement Administrator shall disburse the second one-half (1/2) of the Settlement
9 Administration Costs to itself for the Settlement Administrator's execution of settlement administration
10 duties.

11 26.2. Second PAGA Payment to the LWDA Disbursement to the LWDA. The Settlement
12 Administrator shall disburse the second one-half (1/2) of the PAGA Payment to the LWDA to the LWDA
13 via secure wire transfer or by other secure means as fifty percent (50%) of the LWDA's seventy-five
14 percent (75%) share of the PAGA Payment.

15 26.3. Second PAGA Representative Service Award and Individual PAGA Payment
16 Disbursement to Plaintiff. The Settlement Administrator shall disburse the second one-half (1/2) of the
17 PAGA Representative Service Award to Plaintiff, separate from any Individual PAGA Payment, for
18 Plaintiff's efforts and risks in bringing and resolving the Action, and the second one-half (1/2) of the
19 Individual PAGA Payment to Plaintiff as Plaintiff's individual pro rata share of the PAGA Payment to
20 Aggrieved Employees, via a check in Plaintiff's name, but mailed to PAGA Counsel, which the Settlement
21 Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form.

22 26.4. Second PAGA Counsel Cost Award Disbursement to PAGA Counsel. The
23 Settlement Administrator shall disburse the second one-half (1/2) of the PAGA Counsel Cost Award to
24 PAGA Counsel via secure wire transfer for reimbursement of PAGA Counsel's reasonable litigation
25 expenses incurred in litigating and resolving the Action, which the Settlement Administrator shall report
26 as nonemployee income on IRS Form 1099-MISC or similar IRS form.

27 26.5. Second PAGA Counsel Fee Award Disbursement to PAGA Counsel. The
28 Settlement Administrator shall disburse the second one-half (1/2) of the PAGA Counsel Fee Award to

PAGA Counsel via secure wire transfer as reasonable attorneys' fees for litigating and resolving the Action, which the Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form.

26.6. Second Individual PAGA Payment Disbursement, Along with All Amounts Including Residue in the Net Settlement Amount, and Individual PAGA Payment Letters to Aggrieved Employees. The Settlement Administrator shall disburse the second one-half (1/2) of the PAGA Payment to Aggrieved Employees as fifty percent (50%) of Aggrieved Employees' aggregate twenty-five percent (25%) share of the PAGA Payment, along with all amounts of accrued interest or other residue remaining in the Qualified Settlement Fund as the Net Settlement Amount, which the Settlement Administrator shall report as nonemployee income on IRS Form 1099-MISC or similar IRS form, along with Individual PAGA Payment Letters.

26.6.1. Settlement Administrator's National Change of Address Search and Second Individual PAGA Payment Mailings by First Class U.S. Mail. The Settlement Administrator shall disburse second Individual PAGA Payment checks and Individual PAGA Payment Letters to all Aggrieved Employees via bulk First Class United States Mail, postage prepaid, addressed to each Aggrieved Employees' last known mailing address based on data in the Aggrieved Employee List including all updated data resulting from the Settlement Administrator's search for updated mailing addresses using the National Change of Address Database prior to mailing. The Settlement Administrator shall mark all envelopes transmitting second Individual PAGA Payments to Aggrieved Employees with the following writing: "YOUR INDIVIDUAL PAGA PAYMENT CHECK IS ENCLOSED."

26.6.2. Second Individual PAGA Payment Checks, 120-Day Void Date, and Transfer to the Unclaimed Property Fund. The Settlement Administrator shall issue checks for second Individual PAGA Payments, which shall prominently state the date one hundred twenty (120) days after the date of check issuance and mailing when the check shall be automatically voided, shall void all checks not cashed or negotiated by the void date, and shall retain any amounts of uncashed Individual PAGA Payment checks in the Qualified Settlement Fund earmarked in the name of the affected Aggrieved Employee, in preparation for transfer of the uncashed funds to the Unclaimed Property Fund.

26.6.3. 60-Day Reminder Postcard for Uncashed Second Individual PAGA

1 Payments and Check Reissuance and Re-Mailing Prior to Void Date. No later than sixty (60) days after
2 mailing second Individual PAGA Payment checks in bulk, the Settlement Administrator shall mail a
3 reminder postcard to all Aggrieved Employees, who have not cashed or negotiated their Individual PAGA
4 Payment checks, that indicates their Individual PAGA Payment checks shall become void if they are not
5 cashed or negotiated by the 120-day Individual PAGA Payment check void date. If the Settlement
6 Administrator determines an Aggrieved Employee's second Individual PAGA Payment check has been
7 misrouted, misplaced, lost, or stolen, has not been cashed or negotiated prior to the date Individual PAGA
8 Payment checks becomes void, and possesses a current mailing address for the affected Aggrieved
9 Employee, then, by no later than the next business day, the Settlement Administrator shall promptly
10 reissue and mail a reissued Individual PAGA Payment check to the affected Aggrieved Employee.

11 26.6.4. Settlement Administrator's Further Skip Tracing for Undelivered Second
12 Individual PAGA Payment Mailings to Formerly-Employed Aggrieved Employees and Re-Mailing Prior
13 to Void Date. If the Settlement Administrator receives a second Individual PAGA Payment and Individual
14 PAGA Payment Letter returned as undelivered up to ten (10) days prior to the 120-day Individual PAGA
15 Payment check void date from an Aggrieved Employee, who was identified as formerly employed on the
16 Aggrieved Employee List, then, by no later than three (3) business days thereafter, the Settlement
17 Administrator shall attempt to determine another mailing address for the affected, formerly-employed
18 Aggrieved Employee by use of skip tracing or other verification or search procedures using the name,
19 address, telephone number, social security number and/or taxpayer identification number of the affected,
20 formerly-employed Aggrieved Employee. If the Settlement Administrator identifies another mailing
21 address for the affected, formerly-employed Aggrieved Employee, then, by no later than the next business
22 day, it shall re-mail the Individual PAGA Payment and Individual PAGA Payment Letter to the affected,
23 formerly-employed Aggrieved Employee. If the Settlement Administrator does not identify another
24 mailing address for the affected, formerly-employed Aggrieved Employee, then the Settlement
25 Administrator shall be deemed to have satisfied its obligations to attempt to re-mail the undelivered
26 Individual PAGA Payment and Individual PAGA Payment Letter to the affected, formerly-employed
27 Aggrieved Employee.

28 26.6.5. Settlement Administrator's Further Skip Tracing for Undelivered Second

1 Individual PAGA Payment Mailings to Currently-Employed Aggrieved Employees and Delivery at Place
2 of Employment Prior to Void Date. If the Settlement Administrator receives a second Individual PAGA
3 Payment and Individual PAGA Payment Letter returned as undelivered up to ten (10) days prior to the
4 120-day Individual PAGA Payment check void date from an Aggrieved Employee, who was identified as
5 currently employed on the Aggrieved Employee List, then, by no later than three (3) business days
6 thereafter, the Settlement Administrator shall attempt to determine another mailing address for the
7 affected, currently-employed Aggrieved Employee by use of skip tracing or other verification or search
8 procedures using the name, address, telephone number, social security number and/or taxpayer
9 identification number of the affected, currently-employed Aggrieved Employee. If the Settlement
10 Administrator identifies another mailing address for the affected, currently-employed Aggrieved
11 Employee, then, by no later than the next business day, it shall re-mail the Individual PAGA Payment and
12 Individual PAGA Payment Letter to the affected, currently-employed Aggrieved Employee. If the
13 Settlement Administrator does not identify another mailing address for the affected, currently-employed
14 Aggrieved Employee, then the Settlement Administrator shall communicate with Defendants or
15 Defendants' Counsel to arrange for Defendants' delivery of the Individual PAGA Payment and Individual
16 PAGA Payment Letter to the affected, currently-employed Aggrieved Employee at his or her place of
17 employment.

18 26.7. Transfer of Void Second Individual PAGA Payment Amounts to the Unclaimed
19 Property Fund. If Individual PAGA Payment checks become void after the second disbursement, then, by
20 no later than fourteen (14) days thereafter, the Settlement Administrator shall transfer all amounts
21 associated with the voided checks to the Unclaimed Property Fund in the name of the affected Aggrieved
22 Employees thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil
23 Procedure section 384(b).

24 27. Settlement Administrator's Report Following Settlement Payment Disbursements. After
25 Settlement payment disbursements, and at the Parties' and Parties' Counsel's joint or independent
26 requests, the Settlement Administrator shall provide written reports or declarations to the Parties and
27 Parties' Counsel describing, among other things, the results of the settlement fund disbursement process,
28 including an accounting of amounts paid as: (1) Settlement Administration Costs; (2) the PAGA Payment

1 to the LWDA; (3) Individual PAGA Payments; (4) the PAGA Representative Service Award; (5) the
2 PAGA Counsel Cost Award; and (6) the PAGA Counsel Fee Award, and shall further describe (i) the
3 dates Individual PAGA Payment checks were mailed, (ii) the total number of Individual PAGA Payment
4 checks mailed to Aggrieved Employees (iii) the average amount of Individual PAGA Payment checks,
5 (iv) the number of Individual PAGA Payment checks that remain uncashed, (v) the total value of those
6 uncashed Individual PAGA Payment checks, (vi) the average amount of the uncashed Individual PAGA
7 Payment checks, and (vii) the nature and date of the disposition of those unclaimed Individual PAGA
8 Payment check funds.

9 **IX. ADDITIONAL SETTLEMENT PROVISIONS**

10 28. Binding Intent and Enforceability. The Parties intend this Settlement Agreement to be fully
11 binding on each other and that the Court shall have jurisdiction to enforce the terms and conditions of the
12 Settlement Agreement pursuant to Code of Civil Procedure section 664.6 (or the federal equivalent) upon
13 noticed motion. If any of the Parties breach any terms of this Settlement Agreement and an action is
14 brought to enforce its terms, then the prevailing party in any enforcement action shall be entitled to recover
15 reasonable attorneys' fees and costs.

16 29. Authorization to Enter into Settlement Agreement and Indemnification. Parties' Counsel
17 warrant and represent they were expressly authorized by the Parties whom they respectively represent to
18 negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken,
19 on behalf of them, to effectuate its terms. The natural person signing this Settlement Agreement on behalf
20 of Defendant M.C. Builder, Corp. represents and warrants that he or she is authorized to sign this
21 Settlement Agreement on behalf of Defendant M.C. Builder, Corp.

22 30. Continuing Jurisdiction of the Court. If the Court enters the Judgment, then the Court shall
23 retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this
24 Settlement Agreement and all orders and directives entered in connection therewith. Parties and Parties'
25 Counsel shall submit to the jurisdiction of the Court for purposes of interpreting, implementing, and
26 enforcing this Settlement Agreement and all orders and directives entered in connection therewith.

27 31. Resolution of Disputes. If the Court does not approve this Settlement for any reason, or if
28 the Parties are unable to reach agreement on the form or content of any document needed to implement

1 the Settlement including any supplemental provision that may become necessary to effectuate the terms
2 of this Settlement Agreement, then the Parties agree to meet and confer and attend mediation with Steve
3 Pearl, Esq., to reach a settlement that the Court may approve or to resolve such disagreement, as necessary.

4 32. Best Efforts and Cooperation. The Parties pledge their good faith and fair dealing in
5 supporting the approval of this Settlement Agreement by the Court including, but not limited to, fully
6 documenting the settlement, timely delivering documents and information to each other, completing, or
7 filing any other required documents or pleadings, and arguing that the terms and conditions agreed upon
8 should be enforced fully. Defendants agree they shall not oppose Plaintiff's motion for approval nor any
9 motions or requests for fees, costs, or awards so long as Plaintiff's motions and requests are materially
10 consistent with the terms and provisions of this Settlement Agreement.

11 32.1. Confidentiality Limitation on Public Statements About Settlement. Other than to
12 present this Settlement to the Court for approval, the Parties and Parties' Counsel agree to limit public
13 comment on this settlement, the case, and the claims to stating that the matter has been resolved to the
14 satisfaction of the Parties. Plaintiff and PAGA Counsel shall not publicize or refer to the fact or amount
15 of the Settlement, on their websites, blogs, digital media, social media, or any other marketing materials
16 or publications. Plaintiff and PAGA Counsel will not state on their websites, social media, any other
17 marketing materials or publications that Defendants engaged in any act contrary to California law, or
18 denied allegedly owed to employees, or otherwise disparage Defendants or identify Defendants.
19 Defendants shall be allowed to report the settlement or results of this lawsuit if required to do so with
20 respect to any financial or other disclosures which in their judgment are necessary.

21 32.2. Disclosure of Discovery and Further Confirmatory Discovery to Support Fairness,
22 Reasonableness, and Adequacy of Settlement. Defendants shall not object to PAGA Counsel's revelation
23 of information Defendants may have disclosed as confidential under the mediation privilege including the
24 data, documents, and sampling exchanged for mediation purposes, if required by the Court, and solely in
25 connection with obtaining Court approval of the Settlement. If the Court denies entry of an order granting
26 approval for want of additional information about the fairness, reasonableness, or adequacy of the
27 Settlement, then Defendants shall provide PAGA Counsel informal confirmatory discovery, as reasonably
28 necessary, to secure approval of the Settlement such as additional data, documents, time and pay record

1 samples.

2 32.3. Agreement to Cooperate if Court Does Not Approve Settlement. If the Court does
3 not finally approve this Settlement for any reason and in a manner that does not bind the Parties from
4 exercising their rights to renegotiate a settlement over the same or similar subject matter, then the Parties
5 agree to cooperate to reach a settlement the Court may approve.

6 32.4. Effect of Prejudicial Denial of Approval. If this Settlement Agreement does not
7 become final by way of entry of a Judgment or by a denial of an approval order with prejudice that binds
8 the Parties from exercising their rights to renegotiate a settlement over the same or similar subject matter,
9 then it shall be rendered null and void ab initio. If this Settlement Agreement is rendered null and void ab
10 initio, then the Parties shall, accordingly, proceed in all respects as if this Settlement Agreement had not
11 been executed, except that Plaintiff, on the one hand, and Defendants, on the other hand, shall pay the
12 Settlement Administration Costs incurred to date to the Settlement Administrator in fifty percent (50%)
13 shares.

14 33. California Law Governs. All terms of this Settlement Agreement and the Exhibits attached
15 hereto shall be governed by and interpreted according to the laws of the State of California.

16 33.1. Mutual Drafting. The Parties have drafted this Settlement Agreement together and,
17 hence, in construing this Settlement Agreement, it shall not be construed against any of the Parties by
18 reason of any claim that one of the Parties drafted the Settlement Agreement.

19 33.2. Exhibits. The Exhibits to this Settlement Agreement are an integral part of the
20 Settlement. However, if any material inconsistencies or ambiguities arise during the construction and
21 interpretation of the terms and provisions of any of the Exhibits as compared to the terms and provisions
22 in this Settlement Agreement, then the terms and provisions in this Settlement Agreement shall control.

23 33.3. Method of Signature and Counterparts. This Settlement Agreement may be
24 executed by facsimile, electronic, document scan, or other means, in one or more counterparts or
25 duplicates of originals and each of them shall be deemed an original and shall constitute one instrument.

26 33.4. Amendment or Modification. This Settlement Agreement shall not be amended or
27 modified in any material respect unless by a written instrument signed by the Parties.

28 33.5. Binding on Successors and Assigns. This Settlement Agreement shall be binding

upon and inure to the benefit of the Parties' successors and assigns.

33.6. Headings. The descriptive headings of any paragraphs or sections of this Settlement Agreement including the capitalized terms therein are inserted for convenience only.

33.7. Calendar Days. All references to a "day" or "days" in this Settlement Agreement shall mean calendar days, unless modified or expressly stated otherwise. If any date or deadline established by this Settlement Agreement occurs on a day that is a weekend day, a state holiday, or a federal holiday, then such date or deadline shall occur on the first business day thereafter.

33.8. Waivers. The waiver of any breach of this Settlement Agreement shall not be deemed or construed as a waiver of any other breach of this Settlement Agreement, whether prior, subsequent, contemporaneous, or continuing.

33.9. Severability. If one or more of the provisions contained in this Settlement Agreement is deemed or held invalid, illegal, or unenforceable in any respect, then the invalid, illegal, or unenforceable provisions shall be deemed stricken and the remaining provisions shall remain valid.

34. Notice. All notices, demands or other communications between the Parties in connection with or required by this Settlement Agreement, unless expressly stated otherwise, shall be in writing and shall be deemed to have been duly noticed if sent by United States mail, facsimile, electronic mail, or via other written means, if addressed to the persons identified, as follows:

To Plaintiff:

LOYR, APC

YOUNG W. RYU, ESQ. (SBN 266372) (young.ryu@loywr.com)
ZACHARIAH E. MOURA, ESQ. (SBN 279508) (zach.moura@loywr.com)
ROY K. SUH, ESQ. (SBN 283988) (roy.suh@loywr.com)
KEE SEOK MAH, ESQ. (SBN 345736) (kee.mah@loywr.com)
1055 West Seventh Street, Suite 2290
Los Angeles, California 90017
Telephone: (213) 318-5323
Facsimile: (800) 576-1170

To Defendants:

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

QUYNHVI (VEE) B. SOTELO, ESQ. (SBN 225805) (sotelo@sbemp.com)
KATELYN K. EMPEY, ESQ. (SBN 292110) (kempey@sbemp.com)
1800 East Tahquitz Canyon Way
Palm Springs, California 92262
Telephone: (760) 322-2275
Facsimile: (760) 322-2107

1 35. Neutral Employment Reference. If Defendants receive any oral and/or written requests
2 from prospective employers or other persons about Plaintiff's employment with Defendants, then
3 Defendants shall provide a neutral and objective employment reference, which may include no more than
4 the substance of the following information: that M.C. Builder, Corp. formerly employed Plaintiff; the start
5 date and end date of Plaintiff's period(s) of employment; Plaintiff's job title(s) while employed; and
6 Plaintiff's final hourly pay rate.

7 36. Entire Agreement. This Settlement Agreement and the attached Exhibits constitute the
8 entire agreement between the Parties. No oral or written representations, warranties, or inducements have
9 been made to Plaintiff or Defendants concerning this Settlement Agreement other than the representations,
10 warranties and covenants contained and memorialized in this Settlement Agreement. No other prior or
11 contemporaneous written or oral agreements regarding the subject matter herein shall be deemed binding
12 on the Parties.

13 * * * *Remainder of Page Intentionally Blank – Signature Page Follows* * * *

1 IT IS SO STIPULATED.

2 DATED: _____

PLAINTIFF CARLOS GONZALEZ

4 By: _____
5 CARLOS GONZALEZ

6 Plaintiff CARLOS GONZALEZ

7 DATED: 12/14/23

DEFENDANT M.C. BUILDER, CORP.

9 By:  _____
10 ERNEST CASTO

11 CEO, M.C. BUILDER, CORP.

12 DATED: 12/14/23

DEFENDANT ERNEST CASTO

14 By:  _____
15 ERNEST CASTO

16 Defendant ERNEST CASTO

17 DATED: _____

LOYR, APC

19 By: _____
20 YOUNG W. RYU
21 ZACHARIAH E. MOURA
22 ROY K. SUH
23 KEE SEOK MAH

Attorneys for Plaintiff CARLOS GONZALEZ

23 DATED: 12/14/2023

**SLOVAK BARON EMPEY MURPHY &
PINKNEY LLP**

25 By:  _____
26 QUYNHVI B. SOTELO
27 KATELYN K. EMPEY

28 Attorneys for Defendants M.C. BUILDER CORP.
and ERNEST CASTO

1 **IT IS SO STIPULATED.**

2 DATED: Dec 15, 2023

PLAINTIFF CARLOS GONZALEZ

3
4 By: 
Carlos Gonzalez (Dec 15, 2023 08:25 PST)

CARLOS GONZALEZ

Plaintiff CARLOS GONZALEZ

7 DATED: _____

DEFENDANT M.C. BUILDER, CORP.

9
10 By: _____
ERNEST CASTO

11 CEO, M.C. BUILDER, CORP.

12 DATED: _____

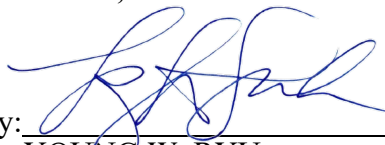
DEFENDANT ERNEST CASTO

14
15 By: _____
ERNEST CASTO

16 Defendant ERNEST CASTO

17 DATED: December 15, 2023

LOYR, APC

18
19 By: 
20 YOUNG W. RYU
21 ZACHARIAH E. MOURA
22 ROY K. SUH
23 KEE SEOK MAH

Attorneys for Plaintiff CARLOS GONZALEZ

24 DATED: _____

**SLOVAK BARON EMPEY MURPHY &
PINKNEY LLP**

26
27 By: _____
QUYNHVI B. SOTELO
KATELYN K. EMPEY

28 Attorneys for Defendants M.C. BUILDER CORP.
and ERNEST CASTO

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EXHIBIT 1
(Draft Individual PAGA
Payment Letter)

[Aggrieved Employee City, State and Zip Code]

QUESTIONS? CALL THE ADMINISTRATOR AT (###) ###-####
SPANISH TRANSLATION? SPANISH TRANSLATION (###) ###-####

QUESTIONS? CALL THE ADMINISTRATOR AT (###) ###-####
SPANISH TRANSLATION? SPANISH TRANSLATION (###) ###-####

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EXHIBIT 2
(Tentative Installment
Payment and Settlement
Payment Disbursement
Schedule)

TENTATIVE INSTALLMENT PAYMENT AND SETTLEMENT PAYMENT DISBURSEMENT**SCHEDULE**

Subject to a final accounting, Defendants shall fund the Gross Settlement Amount and the Settlement Administrator shall disburse (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Payment to Aggrieved Employees; (4) the PAGA Representative Service Award; (5) the PAGA Counsel Cost Award; and (5) the PAGA Counsel Fee Award, as follows:

<u>Installment Payment Month Post-Effective Date (Amount Due)</u>	<u>GSA Amount Funded</u>	<u>Disbursement Payment Amounts from GSA (Payment Type and Amount)</u>	<u>GSA Amount Disbursed</u>	<u>GSA Ledger Balance</u>
01 Mo. (\$11,250.00)	\$11,250.00		\$0.00	\$11,250.00
02 Mos. (\$11,250.00)	\$22,500.00		\$0.00	\$22,500.00
03 Mos. (\$11,250.00)	\$33,750.00		\$0.00	\$33,750.00
04 Mos. (\$11,250.00)	\$45,000.00		\$0.00	\$45,000.00
05 Mos. (\$11,250.00)	\$56,250.00		\$0.00	\$56,250.00
06 Mos. (\$11,250.00)	\$67,500.00		\$0.00	\$67,500.00
07 Mos. (\$11,250.00)	\$78,750.00		\$0.00	\$78,750.00
08 Mos. (\$11,250.00)	\$90,000.00		\$0.00	\$90,000.00
09 Mos. (\$11,250.00)	\$101,250.00		\$0.00	\$101,250.00
10 Mos. (\$11,250.00)	\$112,500.00		\$0.00	\$112,500.00
11 Mos. (\$11,250.00)	\$123,750.00		\$0.00	\$123,750.00
12 Mos. (\$11,250.00)	\$135,000.00		\$0.00	\$135,000.00
13 Mos. (\$11,250.00)	\$146,250.00		\$0.00	\$146,250.00
14 Mos. (\$11,250.00)	\$157,500.00		\$0.00	\$157,500.00
15 Mos. (\$11,250.00)	\$168,750.00		\$0.00	\$168,750.00
16 Mos. (\$11,250.00)	\$180,000.00		\$0.00	\$180,000.00
17 Mos. (\$11,250.00)	\$191,250.00		\$0.00	\$191,250.00
18 Mos. (\$11,250.00)	\$202,500.00		\$0.00	\$202,500.00
19 Mos. (\$11,250.00)	\$213,750.00	\$3,750.00 (1/2 of \$7,500.00 Settlement Administration Costs) + \$86,250.00 (1/2 of \$172,500.00 PAGA Payment to LWDA) + \$28,750.00 (1/2 of \$57,500.00 PAGA Payment to Aggrieved Employees) + \$3,750.00 (1/2 of \$7,500.00 PAGA Representative Service Award) + \$12,500.00 (1/2 of \$25,000.00 PAGA Counsel Cost Award) + \$67,500.00 (1/2 of \$135,000.00 PAGA Counsel Fee Award) <u>=\$202,500.00 (Disbursement of 1/2 of \$405,000.00 Gross Settlement Amount)</u>	\$202,500.00	\$11,250.00

<u>Installment Payment</u> <u>Month Post-Effective</u> <u>Date (Amount Due)</u>	<u>GSA</u> <u>Amount</u> <u>Funded</u>	<u>Disbursement Payment Amounts</u> <u>from GSA (Payment Type and</u> <u>Amount)</u>	<u>GSA</u> <u>Amount</u> <u>Disbursed</u>	<u>GSA Ledger</u> <u>Balance</u>
20 Mos. (\$11,250.00)	\$225,000.00		\$202,500.00	\$22,500.00
21 Mos. (\$11,250.00)	\$236,250.00		\$202,500.00	\$33,750.00
22 Mos. (\$11,250.00)	\$247,500.00		\$202,500.00	\$45,000.00
23 Mos. (\$11,250.00)	\$258,750.00		\$202,500.00	\$56,250.00
24 Mos. (\$11,250.00)	\$270,000.00		\$202,500.00	\$67,500.00
25 Mos. (\$11,250.00)	\$281,250.00		\$202,500.00	\$78,750.00
26 Mos. (\$11,250.00)	\$292,500.00		\$202,500.00	\$90,000.00
27 Mos. (\$11,250.00)	\$303,750.00		\$202,500.00	\$101,250.00
28 Mos. (\$11,250.00)	\$315,000.00		\$202,500.00	\$112,500.00
29 Mos. (\$11,250.00)	\$326,250.00		\$202,500.00	\$123,750.00
30 Mos. (\$11,250.00)	\$337,500.00		\$202,500.00	\$135,000.00
31 Mos. (\$11,250.00)	\$348,750.00		\$202,500.00	\$146,250.00
32 Mos. (\$11,250.00)	\$360,000.00		\$202,500.00	\$157,500.00
33 Mos. (\$11,250.00)	\$371,250.00		\$202,500.00	\$168,750.00
34 Mos. (\$11,250.00)	\$382,500.00		\$202,500.00	\$180,000.00
35 Mos. (\$11,250.00)	\$393,750.00		\$202,500.00	\$191,250.00
36 Mos. (\$11,250.00)	\$405,000.00		\$202,500.00	\$202,500.00
37 Mos. (+\$0.00)	\$405,000.00	\$3,750.00 (1/2 of \$7,500.00 Settlement Administration Costs) + \$86,250.00 (1/2 of \$172,500.00 PAGA Payment to LWDA) + \$28,750.00 (1/2 of \$57,500.00 PAGA Payment to Aggrieved Employees) + \$3,750.00 (1/2 of \$7,500.00 PAGA Representative Service Award) + \$12,500.00 (1/2 of \$25,000.00 PAGA Counsel Cost Award) + \$67,500.00 (1/2 of \$135,000.00 PAGA Counsel Fee Award) = \$202,500.00 (Disbursement of 1/2 of \$405,000.00 Gross Settlement Amount)	\$405,000.00	\$0.00

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EXHIBIT 3
(Draft [Proposed]
Approval Order)

1 **LOYR, APC**
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6 Los Angeles, California 90017
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7 Facsimile: (800) 576-1170

8 Attorneys for Plaintiff CARLOS GONZALEZ

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF RIVERSIDE – HISTORIC COURTHOUSE**

11 CARLOS GONZALEZ, individually and on behalf
of all similarly aggrieved employees,

12 Plaintiff,

13 v.

14 M.C. BUILDER, CORP., a California corporation;
15 ERNEST CASTO, an individual; and DOES 1
through 25, inclusive,

16 Defendants.

Case No. CVPS2106544

*Assigned for all purposes to the Honorable
Christopher Harmon, Department 10*

**[PROPOSED] ORDER GRANTING
APPROVAL OF STIPULATION AND PAGA
SETTLEMENT**

Filed or lodged concurrently: (1) Plaintiff's Notice
and Motion; (2) Declaration of Carlos Gonzalez;
(3) Declaration of Ernest Casto (on Behalf of
Defendant M.C. Builder, Corp.); (4) Declaration of
[REDACTED] (on Behalf of [Settlement Administrator –
TBD]); (5) Declaration of Roy K. Suh;
(6) Declaration of Quynhvi ("Vee") B. Sotelo;
(7) [Proposed] Judgment

Mot. for Approval Hearing: TBD
Time: #:## a.m./p.m.
Department: 10

PAGA Notice, Case No.
LWDA-CM-830308-21: April 26, 2021
Action Filed: June 16, 2021
FAC Filed: June 7, 2023
Amended PAGA Notice, Case No.
LWDA-CM-830308-21: September 22, 2023
Trial Date: None Set

**[PROPOSED] ORDER GRANTING APPROVAL OF STIPULATION AND PAGA
SETTLEMENT**

Plaintiff Carlos Gonzalez’s (“Plaintiff”) unopposed Motion for Approval of PAGA Action Settlement (“Motion”) involving defendant M.C. Builder, Corp. and defendant Ernest Casto (collectively “Defendants”) (Plaintiff and Defendants jointly, the “Parties”), came before this Court on [APPROVAL HEARING DATE & TIME] in *Gonzalez v. M.C. Builder, Corp., et al.*, Riverside County Superior Court, Case No. CVPS2106544 (the “Action”). The Court, having fully reviewed the Motion and declarations and exhibits filed in support thereof, as well as the records and documents on file in the Action including the Parties’ [date] Stipulation and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”) attached as **Exhibit A** to the Declaration of Roy K. Suh, the Declaration of Carlos Gonzalez, the Declaration of [Settlement Administrator – TBD], the Declaration of Ernest Casto, the Declaration of Quynhvi (“Vee”) B. Sotelo, and for GOOD CAUSE appearing, the Court hereby ORDERS the following:

1. Court Jurisdiction Over the Parties and the Action. The Court has jurisdiction over all claims asserted in the Action, Plaintiff, Defendants, and the State of California, including the California Labor and Workforce Development Agency (“LWDA”), with respect to the following persons, who are Aggrieved Employees:

All persons employed by Defendants in California as a non-exempt employee from April 26, 2020 to September 30, 2023 (“PAGA Period”).

2. Court Findings and Approval of the Settlement Agreement for Settlement Purposes Only. Pursuant to California law, including Labor Code sections 2698-2699.8, *et seq.* (“PAGA”), the Court grants approval of the Settlement as set forth in the Settlement Agreement for settlement purposes only based on the following findings.

2.1. Plaintiff Carlos Gonzalez Appointment as PAGA Representative. The Court finds Plaintiff Carlos Gonzalez has offered sufficient proof of PAGA administrative exhaustion, has adequately represented the State of California pursuant to PAGA and appoints Plaintiff as a deputized PAGA representative.

2.2. LOYR, APC Appointment as PAGA Counsel. The Court finds LOYR, APC, including Young W. Ryu and Roy K. Suh, have adequately represented the State of California pursuant

1 to PAGA and appoints LOYR, APC as PAGA Counsel.

2 2.3. [Settlement Administrator – TBD] Appointment as Settlement Administrator. The
3 Court finds [Settlement Administrator – TBD] has offered sufficient proof of its qualifications to perform
4 all express and implied settlement administration tasks and appoints it as Settlement Administrator.

5 2.4. Settlement as the Result of Non-Collusive, Arm's-Length Negotiations. The Court
6 finds the Settlement reached is the result of intensive, non-collusive, arm's-length negotiations and is, in
7 all respects, fair, reasonable, and adequate considering the defenses asserted by Defendants, potential
8 adverse findings regarding liability, potential appellate issues, PAGA's purposes and as a compromise
9 when balanced against the probable outcome of extensive and costly litigation. The Court further finds
10 substantial investigation and research have been conducted such that the Parties and Parties' Counsel are
11 reasonably able to evaluate their respective positions and Settlement will avoid substantial additional costs
12 by all parties, as well as the delay and risk that would be presented by further prosecution of the Action.

13 2.5. Individual PAGA Payment Calculation Method and Transfer of Unclaimed
14 Individual Payment Amounts to the Unclaimed Property Fund Appropriate. The Court finds the
15 Settlement Administrator's method of calculating Individual PAGA Payments payable and due to
16 Aggrieved Employees based on their pro rata shares of the PAGA Payment along with any residue in
17 remaining in the Qualified Settlement Fund fully as the Net Settlement Amount is appropriate. The Court
18 further finds the plan for transferring uncashed Individual PAGA Settlement checks funds to California
19 State Controller's Unclaimed Property Fund in the name of affected Aggrieved Employees is appropriate.

20 2.6. Individual PAGA Payment Letter Substance and Mailing via First Class U.S. Mail
21 Appropriate. The Court finds the form and substance of the Individual PAGA Payment Letter, attached
22 hereto, and incorporated as **Exhibit A**, and the Settlement Administrator's disbursement of Individual
23 PAGA Payment checks and Individual PAGA Payment Letters to the Aggrieved Employees via First
24 Class United States Mail is likely the best and most practicable form of communications and method of
25 delivering of Individual PAGA Payment checks to Aggrieved Employees under the circumstances.

26 3. Gross Settlement Amount and Two Settlement Payment Disbursements. The Court
27 approves the non-reversionary Gross Settlement Amount, which shall be no less than four hundred five
28 thousand dollars and zero cents (\$405,000.00), and orders Defendants to pay to the Gross Settlement

Amount to establish a common settlement fund the Settlement Administrator shall maintain in a Qualified Settlement Fund and from where the Settlement Administrator shall disburse the following payments: (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Payment to Aggrieved Employees; (4) the PAGA Representative Service Award; (5) the PAGA Counsel Cost Award; and (6) the PAGA Counsel Fee Award, which shall include the monetary consideration Defendants offer in exchange for the releases of the Released Claims.

3.1. Net Settlement Amount. The Court approves the Net Settlement Amount, which shall be the amount no less than fifty-seven thousand, five hundred dollars, and zero cents (\$57,500.00), payable from the Gross Settlement Amount and due to Aggrieved Employees as their aggregate twenty-five percent (25%) share of the PAGA Payment and any amounts of accrued interest or residue in the Qualified Settlement Fund, which shall be determined by subtracting the amounts payable as: (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Representative Service Award; (4) the PAGA Counsel Cost Award; and (5) the PAGA Counsel Fee Award from the Gross Settlement Amount.

3.2. To the Settlement Administrator – Settlement Administration Costs. The Court approves the Settlement Administration Costs, which shall be an amount, not exceeding seven thousand, five hundred dollars, and zero cents (\$7,500.00), payable from the Gross Settlement Amount and due to the Settlement Administrator for the Settlement Administrator's performance of the express and implied settlement administration tasks pursuant to the Settlement Agreement.

3.4. To the LWDA – PAGA Payment to the LWDA. The Court approves the PAGA Payment to the LWDA, which shall be an amount no less than one hundred seventy-two thousand, five hundred dollars, and zero cents (\$172,500.00), payable from the Gross Settlement Amount and due to the LWDA as its seventy-five percent (75%) share of the PAGA Payment for the State of California's settlement and release of the Released PAGA Claim against the Released Parties.

3.5. To Plaintiff – PAGA Representative Service Award. The Court approves the PAGA Representative Service Award of seven thousand five hundred dollars, and zero cents (\$7,500.00), payable from the Gross Settlement Amount and due to Plaintiff, separate from any Individual PAGA Payment, for Plaintiff's efforts and risks in bringing and resolving the Action and in exchange for Plaintiff's Further

Released Claims as a condition of the Settlement Agreement.

3.6. To PAGA Counsel – PAGA Counsel Cost Award. The Court approves the PAGA Counsel Cost Award of twenty-five thousand dollars and zero cents (\$25,000.00) payable from the Gross Settlement Amount and due to PAGA Counsel for reimbursement of PAGA Counsel's reasonable litigation expenses incurred in litigating and resolving the Action.

3.7. To PAGA Counsel – PAGA Counsel Fee Award. The Court approves the PAGA Counsel Fee Award of one hundred thirty-five thousand dollars and zero cents (\$135,000.00), or no less than one-third (1/3) of the Gross Settlement Amount, whichever amount is greater, payable from the Gross Settlement Amount and due to PAGA Counsel as reasonable attorneys' fees for litigating and resolving the Action.

3.8. To Aggrieved Employees Including Plaintiff – PAGA Payment to Aggrieved Employees. The Court approves the PAGA Payment to Aggrieved Employees, which shall be an amount, estimated to be no less than fifty-seven thousand, five hundred dollars, and zero cents (\$57,500.00), payable from the Gross Settlement Amount and due to Aggrieved Employees, as Aggrieved Employees' aggregate twenty-five percent (25%) share of the PAGA Payment.

4. Gross Settlement Amount Funding and Two Settlement Payment Disbursements Pursuant to Installment Payment and Settlement Payment Disbursement Schedule. The Court hereby approves the Installment Payment and Settlement Payment Disbursement Schedule, attached hereto, and incorporated as **Exhibit B**, Orders Defendants to fund the Gross Settlement Amount accordingly, and Orders the Settlement Administrator to disburse Settlement payments, including via Individual PAGA Payments with accompanying Individual PAGA Payment Letters, accordingly.

5. Settlement Administration Task Execution Pursuant to this Order. The Court Orders the Parties and the Settlement Administrator to execute all settlement administration tasks including the settlement fund disbursement process for the Settlement according to the terms of the Settlement Agreement and authorizes the Parties to utilize all reasonable procedures to effectuate those ends, which are materially consistent with this Order and the Settlement Agreement.

5.1. Parties to Bear Their Own Fees and Costs During Settlement Administration Task Execution. The Parties shall bear their own respective attorneys' fees and costs, except as otherwise

provided for in this Order or in the Settlement Agreement and as later approved by the Court.

5.2. Court Retention of Jurisdiction During Settlement Administration Task Execution.

The Court shall retain jurisdiction over all matters related to the administration and consummation of the Settlement and any claims, asserted in, arising out of, or related to the subject matter of the Action including, but not limited to, all matters related to the final Disbursement of Settlement funds and the determination of all controversies relating thereto.

5.3. Non-Appearence Case Review re Disbursement of Settlement Funds. A non-

appearance Case Review re: Disbursement of Settlement Funds is set for XX:XX a.m., _____ (42 months from this Order) at _____. The Court orders PAGA Counsel to file a final report five (5) court days in advance of the Case Review, which shall include a declaration that describes (i) the dates Individual PAGA Payment checks were mailed, (ii) the total number of Individual PAGA Payment checks mailed to Aggrieved Employees (iii) the average amount of Individual PAGA Payment checks, (iv) the number of Individual PAGA Payment checks that remain uncashed, (v) the total value of those uncashed Individual PAGA Payment checks, (vi) the average amount of the uncashed Individual PAGA Payment checks, and (vii) the nature and date of the disposition of those unclaimed Individual PAGA Payment check funds.

6. Release of Released Claims. Accordingly, subject to Defendants' performance of their obligations under the Settlement, culminating in Defendants remitting the entire Gross Settlement Amount to the Settlement Administrator, Plaintiff and the State of California, by and through Plaintiff it is deputized PAGA representative, shall have, by operation of this Order and the accompanying Judgment, fully, finally, and forever released, relinquished, and discharged Released Parties from all Released Claims as set forth in the Settlement Agreement.

7. Notice to the LWDA. Pursuant to Labor Code section 2699(1)(3), Plaintiff shall provide a copy of this Approval Order and the accompanying Judgment to the LWDA within ten (10) days of entry.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE CHRISTOPHER HARMON
Judge of the Superior Court

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EXHIBIT A

(Individual PAGA Payment Letter)

[Aggrieved Employee Street Address]

INDIVIDUAL PAGA PAYMENT LETTER

YOU HAVE BEEN IDENTIFIED AS A PERSON EMPLOYED BY M.C. BUILDER, CORP. AND ERNEST IN CALIFORNIA AS A NON-EXEMPT EMPLOYEE FROM APRIL 26, 2020 TO SEPTEMBER 30, 2023 (“PAGA PERIOD”) AND, AS A RESULT, YOU ARE AN “AGGRIEVED EMPLOYEE” ENTITLED TO THE ENCLOSED INDIVIDUAL PAGA PAYMENT CHECK.

A Court-approved settlement (“Settlement”) has been reached in a Private Attorneys General Act (“PAGA”) action entitled *Gonzalez v. M.C. Builder, Corp., et al.*, Riverside County Superior Court, Case No. CVPS2106544 (the “Action”). Plaintiff Carlos Gonzalez (“Plaintiff”) initiated the Action by filing a complaint against defendant M.C. Builder, Corp. and defendant Ernest Casto (“Defendants”) alleging violations of California laws involving: (1) payment of wages; (2) meal periods; (3) rest periods; (4) business expenses; (5) wage statements; and (6) final wages. On June 7, 2022, Plaintiff filed the operative First Amended Complaint, which, established that the PAGA Period began on April 26, 2020. Defendants deny all claims alleged in the Action and all wrongdoing, contend they have complied with all applicable state, federal and local laws, and reserve their rights to assert all available defenses to Plaintiff’s claims in the Action. Defendant Ernest Casto specifically denies that he employed any persons individually during the PAGA Period.

The Court did not rule on the merits of Plaintiff's allegations or Defendants' defenses but approved the Settlement as a compromise and, as a result, the Action has now ended in a final Judgment. The Settlement and Judgment does not settle or release any Aggrieved Employees' individual claims for wages or damages or any individual private rights of action against any person.

As part of the Settlement, the Court appointed **Phoenix Class Action Administration Solutions** (“Settlement Administrator”) to mail this Individual PAGA Payment Letter and Individual PAGA Payments to Aggrieved Employees in two (2) disbursement payments, which are planned for mailing at least eighteen (18) months apart. Your Individual PAGA Payment amount is based on Defendants’ records of the number of weekly pay periods Defendant M.C. Builder, Corp. employed you during the PAGA Period and shall be reported as nonemployee income on IRS Form 1099. Uncashed Individual PAGA Payment checks shall be voided after 120 days and earmarked for disbursement to affected Aggrieved Employees during the second disbursement. If Individual PAGA Payments are uncashed after the second disbursement, then the Settlement Administrator shall transfer all uncashed Individual PAGA Payment check amounts to the Unclaimed Property Fund for deposit in the name of affected Aggrieved Employees.

If the monies represented by your check is sent to the Unclaimed Property Fund, then you may consult the Unclaimed Property Fund's website (<https://www.sco.ca.gov/upd>) for instructions on how to retrieve the funds. You may call also the Settlement Administrator toll free at (###) ###-#### with questions.

[INDIVIDUAL PAGA PAYMENT LETTER *SPANISH TRANSLATION*]

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EXHIBIT B

**(Installment Payment
and Settlement Payment
Disbursement Schedule)**

INSTALLMENT PAYMENT AND SETTLEMENT PAYMENT DISBURSEMENT SCHEDULE

Consistent with the Court's Approval Order and the Settlement Agreement, Defendants shall fund the Gross Settlement Amount in Installment Payments and the Settlement Administrator shall disburse (1) Settlement Administration Costs; (2) the PAGA Payment to the LWDA; (3) the PAGA Payment to Aggrieved Employees; (4) the PAGA Representative Service Award; (5) the PAGA Counsel Cost Award; and (5) the PAGA Counsel Fee Award, as follows:

<u>Installment Payment Month Post-Effective Date (Amount Due)</u>	<u>GSA Amount Funded</u>	<u>Disbursement Payment Amounts from GSA (Payment Type and Amount)</u>	<u>GSA Amount Disbursed</u>	<u>GSA Ledger Balance</u>
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05 Mos. (\$11,250.00)	\$56,250.00		\$0.00	\$56,250.00
06 Mos. (\$11,250.00)	\$67,500.00		\$0.00	\$67,500.00
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<u>Installment Payment</u> <u>Month Post-Effective</u> <u>Date (Amount Due)</u>	<u>GSA</u> <u>Amount</u> <u>Funded</u>	<u>Disbursement Payment Amounts</u> <u>from GSA (Payment Type and</u> <u>Amount)</u>	<u>GSA</u> <u>Amount</u> <u>Disbursed</u>	<u>GSA Ledger</u> <u>Balance</u>
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22 Mos. (\$11,250.00)	\$247,500.00		\$202,500.00	\$45,000.00
23 Mos. (\$11,250.00)	\$258,750.00		\$202,500.00	\$56,250.00
24 Mos. (\$11,250.00)	\$270,000.00		\$202,500.00	\$67,500.00
25 Mos. (\$11,250.00)	\$281,250.00		\$202,500.00	\$78,750.00
26 Mos. (\$11,250.00)	\$292,500.00		\$202,500.00	\$90,000.00
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28 Mos. (\$11,250.00)	\$315,000.00		\$202,500.00	\$112,500.00
29 Mos. (\$11,250.00)	\$326,250.00		\$202,500.00	\$123,750.00
30 Mos. (\$11,250.00)	\$337,500.00		\$202,500.00	\$135,000.00
31 Mos. (\$11,250.00)	\$348,750.00		\$202,500.00	\$146,250.00
32 Mos. (\$11,250.00)	\$360,000.00		\$202,500.00	\$157,500.00
33 Mos. (\$11,250.00)	\$371,250.00		\$202,500.00	\$168,750.00
34 Mos. (\$11,250.00)	\$382,500.00		\$202,500.00	\$180,000.00
35 Mos. (\$11,250.00)	\$393,750.00		\$202,500.00	\$191,250.00
36 Mos. (\$11,250.00)	\$405,000.00		\$202,500.00	\$202,500.00
37 Mos. (+\$0.00)	\$405,000.00	\$3,750.00 (1/2 of \$7,500.00 Settlement Administration Costs) + \$86,250.00 (1/2 of \$172,500.00 PAGA Payment to LWDA) + \$28,750.00 (1/2 of \$57,500.00 PAGA Payment to Aggrieved Employees) + \$3,750.00 (1/2 of \$7,500.00 PAGA Representative Service Award) + \$12,500.00 (1/2 of \$25,000.00 PAGA Counsel Cost Award) + \$67,500.00 (1/2 of \$135,000.00 PAGA Counsel Fee Award) = \$202,500.00 (Disbursement of 1/2 of \$405,000.00 Gross Settlement Amount)	\$405,000.00	\$0.00

**EXHIBIT B - [PROPOSED] ORDER GRANTING APPROVAL OF PAGA SETTLEMENT AGREEMENT
(RIVERSIDE SUPERIOR COURT, CASE No. CVPS2106544)**

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EXHIBIT B
(Draft [Proposed]
Judgment)

1 **LOYR, APC**
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8 Attorneys for Plaintiff CARLOS GONZALEZ

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF RIVERSIDE – HISTORIC COURTHOUSE**

11 CARLOS GONZALEZ, individually and on behalf
of all similarly aggrieved employees,

12 Plaintiff,

13 v.

14 M.C. BUILDER, CORP., a California corporation;
15 ERNEST CASTO, an individual; and DOES 1
through 25, inclusive,

16 Defendants.

Case No. CVPS2106544

*Assigned for all purposes to the Honorable
Christopher Harmon, Department 10*

[PROPOSED] JUDGMENT

Filed or lodged concurrently: (1) Plaintiff's Notice
and Motion; (2) Declaration of Carlos Gonzalez;
(3) Declaration of Ernest Casto (on Behalf of
Defendant M.C. Builder, Corp.); (4) Declaration of
[REDACTED] (on Behalf of [Settlement Administrator –
TBD]); (5) Declaration of Roy K. Suh;
(6) Declaration of Quynhvi ("Vee") B. Sotelo;
(7) [Proposed] Approval Order

Mot. for Approval Hearing: **TBD**
Time: **#:## a.m./p.m.**
Department: **10**

PAGA Notice, Case No.
LWDA-CM-830308-21: April 26, 2021
Action Filed: June 16, 2021
FAC Filed: June 7, 2023
Amended PAGA Notice, Case No.
LWDA-CM-830308-21: September 22, 2023
Trial Date: None Set

[PROPOSED] JUDGMENT

(RIVERSIDE SUPERIOR COURT, CASE No. CVPS2106544)

1 **[PROPOSED] JUDGMENT**

2 The Court, in *Gonzalez v. M.C. Builder, Corp., et al.*, Riverside County Superior Court, Case No.
3 CVPS2106544 (the “Action”), involving Plaintiff Carlos Gonzalez’s (“Plaintiff”) and defendant M.C.
4 Builder, Corp. and defendant Ernest Casto (collectively “Defendants”) (Plaintiff and Defendants jointly,
5 the “Parties”) including the Parties’ [date] Stipulation and PAGA Settlement Agreement (“Settlement” or
6 “Settlement Agreement”), and in keeping with this Court’s [APPROVAL HEARING DATE] Order
7 Granting Approval of Stipulation and PAGA Settlement (“Approval Order”), this Court hereby
8 **ADJUDGES and DECREES:**

9 1. Pursuant to California law, including Labor Code sections 2698-2699.8, *et seq.* (“PAGA”),
10 this Court now enters this Judgment pursuant to which Plaintiff and the State of California, including the
11 California Labor and Workforce Development Agency (“LWDA”), shall take nothing from Defendants,
12 except as expressly set forth in the Approval Order, and pursuant to which this Judgment binds the Parties
13 and the State of California with respect to “Aggrieved Employees” who consist of the following persons:

14 All persons employed by Defendants in California as a non-exempt
15 employee from April 26, 2020 to September 30, 2023 (“PAGA Period”).

16 2. This Court shall retain jurisdiction over the Parties, Aggrieved Employees, and the LWDA
17 with respect to enforcement of this Judgment including all matters related to the interpretation,
18 administration, and consummation of the Settlement.

19 3. Pursuant to Labor Code section 2699(l)(3), Plaintiff shall provide a copy of the Approval
20 Order and this Judgment to the LWDA within ten (10) days of entry. The Settlement Administrator’s
21 posting of an electronic copy of this Judgment on the Settlement Administrator’s website shall be deemed
22 due and sufficient notice of entry of this Judgment to all others who may be entitled to notice.

23 **IT IS SO ADJUDGED.**

24 DATED: _____

THE HONORABLE CHRISTOPHER HARMON
Judge of the Superior Court

2023.12.13.1247_Stipulation and PAGA Settlement Agreement w Exhs 1-4 [v7.LOYR Proposed Final] - Carlos Gonzalez

Final Audit Report

2023-12-15

Created:	2023-12-14
By:	Roy Suh (royssspam@yahoo.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAP-999H594lrzV4DHTyb_W1gNBPOdQxHG

"2023.12.13.1247_Stipulation and PAGA Settlement Agreement w Exhs 1-4 [v7.LOYR Proposed Final] - Carlos Gonzalez" History



Document created by Roy Suh (royssspam@yahoo.com)

2023-12-14 - 8:52:40 PM GMT



Document emailed to riversideprestigepainting@gmail.com for signature

2023-12-14 - 8:53:57 PM GMT



Email viewed by riversideprestigepainting@gmail.com

2023-12-15 - 4:24:38 PM GMT



Signer riversideprestigepainting@gmail.com entered name at signing as Carlos Gonzalez

2023-12-15 - 4:25:25 PM GMT



Document e-signed by Carlos Gonzalez (riversideprestigepainting@gmail.com)

Signature Date: 2023-12-15 - 4:25:27 PM GMT - Time Source: server



Agreement completed.

2023-12-15 - 4:25:27 PM GMT