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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE
HISTORIC COURT HOUSE

CINDI VAZQUEZ, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

BLUE DESERT INTERNATIONAL, INC., a
California corporation, doing business as
HYDROQUIP; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO.: CVRI2103321

**AMENDED CLASS ACTION
SETTLEMENT AGREEMENT AND
RELEASE**

1 This Amended Class Action Settlement and Release (“Settlement Agreement”) is entered into
2 by and between Plaintiff Cindi Vazquez (“Plaintiff”), on behalf of herself and the Class, on the one
3 hand, and Defendant Blue Desert International, Inc., a California corporation, doing business as,
4 Hydroquip (“Defendant”), on the other hand. Plaintiff and Defendant are collectively referred to
5 herein as “Parties” and individually referred to herein as “Party.”

6 In consideration of the mutual covenants, promises, and agreements set forth herein, the
7 Parties agree that, pursuant to the terms and conditions set forth herein, which are subject to approval
8 of the Court, this Action and the Released Claims shall be settled and compromised as between
9 Plaintiff and the Class on the one hand and Defendant on the other hand.

10 **DEFINITIONS**

11 1. “Action” means *Cindi Vazquez v. Defendant Blue Desert International, Inc., a*
12 *California corporation, doing business as, Hydroquip*, Superior Court of the State of California for
13 the County of Riverside, Case No.: CVRI2103321.

14 2. “Class” means: all hourly employees of Defendant who worked for Defendant in
15 California at any time during the Class Period.

16 3. “Class Counsel” means the Law Office of Scott E. Wheeler.

17 4. “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation and
18 resolution of this Action and Class Counsel’s expenses and costs incurred in connection with this
19 Action.

20 5. “Class Information” means the compilation of the following information for each
21 Class Member: last known full name; social security number; last known address; last known
22 telephone number; number of compensable workweeks/pay periods for each Class Member during
23 the Class Period and PAGA Period; and other such mutually agreed upon information by the Parties
24 as may be necessary to independently review the Compensable Workweeks attributed to each Class
25 Member and PAGA Aggrieved Employee.

26 6. “Class Member” means each person who is a member of the Class defined above and
27 who is eligible to participate in this Settlement.

28 7. “Class Notice” means the notice, substantially in the form attached hereto as

1 **Exhibit 1**, which the Settlement Administrator will mail to each Class Member, and which
2 explains, *inter alia*, the terms of this Settlement, each Class Member's estimated Individual
3 Settlement Payment, the settlement process, and the right of Class Members to object to the
4 Settlement, opt-out of the Settlement, or dispute the number of Compensable Workweeks attributed
5 to them. Notice to the Class Members will be in English and Spanish.

6 8. "Class Period" means the time period from July 9, 2017 through the date of
7 preliminary approval.

8 9. "Class Representative Service Award" means the amount that the Court authorizes
9 to be paid to Plaintiff, in addition to Plaintiff's Individual Settlement Payment and Individual PAGA
10 Payment, in recognition of, *inter alia*, her efforts and risks in assisting with the prosecution of the
11 Action and in return for executing a general release with Defendant.

12 10. "Compensable Work Week" or "Compensable Work Weeks" mean a reasonable
13 estimate of weeks worked by each Class Member individually and collectively by all Class Members
14 during the Class Period based on Defendant's records and used as a value to calculate Individual
15 Settlement Payments. A work week consists of seven (7) days, starting at 12:00 a.m. on Monday
16 through Sunday at 11:59 p.m. A Class Member who works less than seven (7) days in a work week,
17 but at least one (1) day during the work week, will be credited as having worked a full work week.

18 11. "Court" means the Superior Court for the County of Riverside, State of California.

19 12. "Defendant" means Blue Desert International, Inc., a California corporation, doing
20 business as, Hydroquip.

21 13. "Effective Date" means the date on which the Superior Court's Final Approval Order
22 and Judgment becomes final and the Gross Settlement Amount is fully funded by Defendant. The
23 Superior Court's Final Approval Order and Judgment "becomes final" upon the latter of: (a) if there
24 is no Objection to the Settlement, or if there is an Objection but it is withdrawn, then, the date that
25 the Final Approval Order and Judgment is entered by the Court; (b) if there is an Objection to the
26 Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65)
27 calendar days following the date that the Final Approval Order and Judgment is filed by the Court;
28 or (c) if there is an Objection to the Settlement, that is not withdrawn, and any appeal, writ, or other

1 appellate proceeding opposing the Settlement has been filed within sixty-five (65) calendar days
2 following the date that the Final Approval Order and Judgment is filed by the Court, then, when any
3 such appeal, writ, or other appellate proceeding opposing the validity of the Settlement has been
4 resolved finally and conclusively with no right to pursue further remedies or relief.

5 14. "Employer's Share of Payroll Taxes" means the dollar amount of Defendant's
6 employer payroll tax obligation on the employee wage portion of the Individual Settlement
7 Payments, including but not limited to, customary withholdings for federal, state and local taxes, and
8 any similar tax or charge. Defendant shall be responsible for paying the Employer's Share of Payroll
9 Taxes separately from, and in addition to, the Gross Settlement Amount, in the event that any portion
10 of the Gross Settlement Amount is designated as wages.

11 15. "Final Approval Hearing" means the hearing that the Court will hold after the Court
12 has granted preliminary approval of the Settlement and notice has been provided to the Class the
13 response of the Class to the Settlement has been determined, regarding, *inter alia*, whether final
14 approval of the Settlement is appropriate and the amounts properly payable for: (a) Individual
15 Settlement Payments; (b) the Class Counsel Award; (c) the Class Representative Service Awards;
16 (d) payment to the LWDA; and (e) the Settlement Administration Costs.

17 16. "Final Approval Order and Judgment" means an order and judgment that the Court
18 will file which finally approves this Settlement and enters a judgment in favor of Plaintiff.

19 17. "First Amended Class Action Complaint" or "Operative Complaint" means the First
20 Amended Class Action Complaint filed on July 1, 2022.

21 18. "Gross Settlement Amount" means the maximum amount which Defendant is
22 obligated to pay under this Settlement Agreement, which is Three Hundred and Forty Thousand
23 Dollars (\$340,000.00). This is a non-reversionary Settlement in which Defendant is required to pay
24 the entire Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to
25 Defendant under any circumstances. Payments of any appropriate and lawfully-required employer
26 share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately
27 from the Gross Settlement Amount by Defendant at the time the Gross Settlement Amount is funded.
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1 19. “Individual Settlement Payment” means the amount payable from the Net Settlement
2 Amount to each Settlement Class Member.

3 20. “Individual PAGA Payment” means the amount payable to the PAGA Aggrieved
4 Employees from the \$7,500 allocated to them (i.e., 25% of \$30,000 allocated to penalties under the
5 PAGA included in this settlement in Paragraph 60(i) of this Agreement).

6 21. “LWDA” means the California Labor and Workforce Development Agency.

7 22. “Net Settlement Amount” means the Gross Settlement Amount, less the Class
8 Counsel Award, Class Representative Service Award, the entire Payment to the LWDA and PAGA
9 Aggrieved Employees, and Settlement Administration Costs. If the Court approves less than the
10 amounts requested for the Class Counsel Award, Class Representative Service Awards, payment to
11 the LWDA and PAGA Aggrieved Employees for PAGA penalties, or Settlement Administration
12 Costs, such amounts will return to the Net Settlement Amount.

13 23. “Objection” means a letter or other written communication submitted by a Class
14 Member to the Settlement Administrator that contains a clear statement by the Class Member that he
15 or she is objecting to any of the terms of the Settlement.

16 24. “PAGA Aggrieved Employee” or “PAGA Aggrieved Employees” means all hourly,
17 non-exempt employees employed by Defendant in California at any time during the PAGA Period.

18 25. “PAGA Period” means any time between May 5, 2020 through the date of the
19 Court’s preliminary approval of the instant settlement.

20 26. “PAGA Pay Period” or “PAGA Pay Periods” means the number of pay periods
21 worked by each PAGA Aggrieved Employee individually during the PAGA Period and used as a
22 value to calculate Individual PAGA Payments. The number of PAGA Pay Periods for each PAGA
23 Aggrieved Employee will be calculated by the Settlement Administrator, based on the Class
24 Information provided by Defendant. The number of PAGA Pay Periods for each PAGA Aggrieved
25 Employee will be determined by counting any pay period within the PAGA Period during which a
26 PAGA Aggrieved Employee performed work. A PAGA Pay Period starts at 12:00 a.m. on the first
27 day of the PAGA Pay Period and 11:59 p.m. on the last date of the PAGA Pay Period. A PAGA
28 Aggrieved Employee who works at least one (1) day in a PAGA Pay Period will be credited as

1 having worked a full PAGA Pay Period.

2 27. "Parties" means Plaintiff and Defendant, collectively, and "Party" means either
3 Plaintiff or Defendant, individually.

4 28. "Payment Ratio" means the respective Compensable Work Weeks for each
5 Settlement Class Member divided by the total Compensable Work Weeks for all Settlement Class
6 Members.

7 29. "PAGA Payment Ratio" means the respective PAGA Workweeks for each PAGA
8 Aggrieved Employee divided by the total PAGA Workweeks for all PAGA Aggrieved Employees.

9 30. "Plaintiff" means Cindi Vazquez.

10 31. "Preliminary Approval Date" means the date upon which the Court filed an order
11 substantially in the form attached hereto as **Exhibit 2**, and which grants preliminary approval of the
12 Settlement.

13 32. "Request for Exclusion" means a letter or other written communication submitted by
14 a Class Member to the Settlement Administrator that contains a clear statement by the Class Member
15 that he or she is electing to be excluded from the Settlement.

16 33. "Released Claims by Plaintiff" means: As of the Effective Date, Plaintiff, as a Class
17 Member, agrees to the Release of Claims by Settlement Class Members, which is set forth in
18 paragraph 34 below. In addition to Release of Claims by Settlement Class Members, Plaintiff agrees
19 to a general release, which includes any unknown claims that she did not know or suspect to exist in
20 her favor at the time of the general release, which, if known, might have affected her Settlement with,
21 and release of, the Released Parties. With respect to the general release, Plaintiff stipulates and agrees
22 that, upon the Effective Date, she shall be deemed to have expressly waived and relinquished, to the
23 fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California
24 Civil Code, or any other similar provision under federal or state law as to the generally released
25 claims, which provides:

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

1 Plaintiff may hereafter discover facts in addition to or different from those now known or
2 believed to be true with respect to the subject matter of the general release, but upon the Effective
3 Date, she shall be deemed to have fully, finally, and forever settled and released any and all of the
4 claims released pursuant to the general release, whether known or unknown, suspected or
5 unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any
6 theory of law or equity. In addition, the general release applies to Plaintiff only.

7 This general release applies to Plaintiff only. It does not apply to the Released Claims by
8 Settlement Class Members or PAGA Aggrieved Employees, which is set forth in Paragraphs 34 and
9 35 below.

10 34. "Released Claims by Settlement Class Members" means: As of the Effective Date,
11 Settlement Class Members shall fully and finally release and discharge Released Parties, from July
12 9, 2017 through the date of preliminary approval, in exchange for the consideration provided under
13 this Settlement, Settlement Class Members shall fully and finally release and discharge Released
14 Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs,
15 expenses, attorneys' fees, damages, action or causes of action, as alleged in the Operative
16 Complaint for: (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and
17 Industrial Welfare Order 1-2001, Section 11; (2) failure to provide rest periods pursuant to Labor
18 Code Section 226.7 and Industrial Welfare Order 1-2001, Section 12; (3) failure to pay overtime
19 wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Order 1-2001, Section
20 3; (4) failure to pay all wages owed and due at termination of employment in violation of Labor
21 Code Sections 201, 202 and 203; (5) failure to provide accurate itemized wage statements in
22 violation of Labor Code section 226 and Industrial Welfare Order 1-2001 Section 7; (6) ; failure to
23 maintain required records in violation of Labor Code section 226 and Industrial Welfare Order 1-
24 2001 Section 7; (7) violation of the California Unfair Competition Law in violation of Business and
25 Professions Code Section 17200; and (8) and violation of the California Private Attorneys' General
26 Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the
27 California Labor Code and IWC Wage Order 1-2001 as alleged in the Operative Complaint and the
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1 LWDA Notice dated April 23, 2021. This release shall apply to all claims arising at any point
2 during the Class Period.

3 35. "Released PAGA Claims" means all claims for civil penalties only under PAGA
4 that Plaintiff, on behalf of herself, and the State of California, as set forth in the Operative
5 Complaint and set forth in Plaintiff's LWDA Notice, and that Plaintiff and the State of California
6 fully and irrevocably are releasing the Released Parties from, in exchange for the consideration
7 provided by this Settlement. Plaintiff and the State of California will only release claims for
8 penalties as alleged in and based on the facts asserted in Plaintiff's LWDA Notice and alleged
9 within the Operative Complaint. In particular, the released claims include the underlying purported
10 violations for failure to provide meal and rest periods to non-exempt employees, in violation of
11 Labor Code §§ 226.7, 510, 512, 1194, 1197 and Wage Order No. 1-2001, §§ 11-12; failure to pay
12 one additional hour of compensation to non-exempt employees at their regular rate of pay for each
13 workday that a meal or rest period is not provided, in violation of Labor Code § 226.7 and Wage
14 Order No. 1-2001, §§ 11(B) and 12(B); failure to pay non-exempt employees overtime wages, and
15 failure to properly calculate overtime wages, in violation of Labor Code §§ 510, 1194, 1198, and
16 Wage Order No. 1 -2001, § 3; failure to timely pay all wages due, in violation of Labor Code §
17 204; willful failure to pay discharged or quitting employees all wages due, in violation of Labor
18 Code §§ 201-203; failure to provide accurate itemized wage statements in violation of Labor Code
19 §§ 226, 1174, and 1174.5; failure to maintain required records in violation of Labor Code §§ 1174,
20 1174.5, and Wage Order No. 1-2001, § 7, and violation of Labor Code §248.2 regarding the failure
21 to provide supplemental COVID sick leave.

22 36. Released PAGA Claims include any claims for attorneys' fees, costs, or other
23 damages that may be recoverable under the PAGA claims that are alleged in the Operative
24 Complaint and LWDA Notice. This release shall apply to PAGA claims arising at any point during
25 the PAGA Period.

26 37. "Released Parties" collectively mean: (i) Defendant; and (ii) Defendant's current
27 officers, directors, employees and agents only.

38. “Response Deadline” means forty-five (45) days after the postmark date of the Notice of Class Settlement that the Settlement Administrator shall mail to Class Members, and the last date on which Class Members may: (a) submit a Request for Exclusion; or (b) submit an Objection to the Settlement.

39. "Settlement" means the disposition of the Action pursuant to this Agreement.

40. "Settlement Administration Costs" means the amount to be paid to the Settlement Administrator from the Gross Settlement Amount for administration of this Settlement.

41. "Settlement Administrator" means ILYM Group, Inc. The Settlement Administrator shall be responsible for, *inter alia*: (a) printing and mailing the Class Notice to the Class; (b) calculating the Individual Settlement Payments based on the Class Information; (c) to the extent applicable, calculating the Employer's Share of Payroll Taxes which Defendant shall pay in addition to the Gross Settlement Amount; (d) receiving and reporting the Requests for Exclusion and Objections submitted by Class Members to the Parties; (e) providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; (f) processing and mailing payments to Plaintiffs, Class Counsel, the LWDA, and Settlement Class Members; (g) creating and maintaining a static settlement website where relevant documents and information pertaining to the Settlement will be posted, including *inter alia*, the judgment and amended judgment if applicable; and (h) any other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities. The Parties agree that they have no financial interest or other relationship with ILYM Group, Inc. that could create a conflict of interest. Should a conflict of interest or other issue lead to the disqualification of the selected Settlement Administrator, the Parties will meet and confer as to a suitable replacement.

42. “Settlement Class” or “Settlement Class Members” means all Class Members who have not opted out of the Class by submitting a valid and timely Request for Exclusion.

RECITALS

43. Procedural History. On July 9, 2021, Plaintiff filed a complaint against Defendant in Riverside County Superior Court, Case No.: CVRI2103321. On September 2, 2021, Defendant filed

1 an answer to the complaint. The Parties entered into a Stipulation for Plaintiff to file a First Amended
2 Class Action Complaint in order to carry out the terms of the Settlement. The First Amended Class
3 Action Complaint was filed with the Court on July 1, 2022 and is the Operative Complaint as set
4 forth above.

5 44. Investigation and Discovery. The Parties have conducted significant investigation of
6 the facts and law during the prosecution of this Action and before this Settlement was reached. Such
7 discovery and investigation includes, *inter alia*, the exchange of information and documents
8 pertaining to Plaintiff and the Class, and numerous meetings and informal conferences wherein the
9 Parties exchanged information, class data, and theories of the case. Plaintiff has also investigated the
10 law as applied to the facts of Plaintiff's claims and Defendant's potential defenses thereto.

11 45. Mediation. The Parties participated in a private mediation session with Todd Smith,
12 on April 7, 2022, and reached a proposed class action settlement that would fully resolve this matter.

13 46. Benefits of Settlement to Class Members. Plaintiff and Class Counsel recognize the
14 expense and length of continued proceedings necessary to litigate Plaintiff's claims through trial and
15 any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of
16 further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class
17 Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted
18 in the Action, both generally and in response to Defendant's defenses thereto, and the difficulties in
19 establishing damages for the Class. Plaintiff and Class Counsel have also taken into account
20 Defendant's agreement to enter into a settlement that confers substantial relief upon the members of
21 the Class. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
22 set forth in this Settlement Agreement is a fair, adequate, and a reasonable settlement, and is in the
23 best interests of the Class.

24 47. Defendant's Reasons for Settlement. Defendant has concluded that any further
25 defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of
26 Defendant's time, energy, and resources have been and, unless this Settlement is completed, will
27 continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
28 into account the risks of further litigation in reaching its decision to enter into this Settlement. Even

1 though Defendant continues to contend that it is not liable for any of the claims alleged by Plaintiff
2 in this Action, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth
3 in this Settlement Agreement to put to rest the claims in this Action. As to the Released Claims,
4 Defendant denies and continues to deny each of those claims.

5 **STIPULATION AND AGREEMENT**

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

8 49. It is agreed by and among Plaintiff and Defendant that this Settlement shall bind
9 Plaintiff, Settlement Class Members, PAGA Aggrieved Employees, and Defendant, subject to the
10 terms and conditions hereof.

11 50. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
12 the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
13 "other party") acknowledges and agrees that (1) no provision of this Agreement, and no written
14 communication or disclosure between or among the Parties or their attorneys and other advisers, is
15 or was intended to be, nor shall any such communication or disclosure constitute or be construed or
16 be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230
17 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her,
18 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
19 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
20 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
21 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
22 that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party
23 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
24 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
25 acknowledging party of the tax treatment or tax structure of any transaction, including any transaction
26 contemplated by this Agreement.

27 51. Class Certification. The Parties stipulate to class certification for purposes of
28 settlement only. If the Court does not grant either preliminary or final approval of this Settlement,

1 the Parties stipulate that this stipulation regarding class certification will be revoked and the Parties
2 will return to a point in litigation immediately prior to the execution of this Settlement Agreement.

3 52. Approval of Settlement. Plaintiff will move the Court to grant preliminary and final
4 approval of this class action Settlement. The Parties agree to work diligently and cooperatively to
5 have this matter presented to the Court for preliminary and final approval.

6 53. LWDA Notice. Plaintiff acknowledges and agrees that she will provide notice to the
7 LWDA of this Settlement in accordance with California Labor Code § 2699(1)(2).

8 54. Release of Claims by Plaintiff. Plaintiff releases the “Released Claims by Plaintiff”
9 as of the date the Effective Date of the Settlement. The Settlement Administrator shall notify the
10 Parties in writing upon receipt of the full Gross Settlement Amount.

11 55. Release of Class Claims by Settlement Class Members. Settlement Class Members
12 release the “Released Claims by Settlement Class Members” as of the Effective Date of the
13 Settlement. The Settlement Administrator shall notify the Parties in writing upon receipt of the full
14 Gross Settlement Amount.

15 56. Release of PAGA Claims. Plaintiff and the State of California release the “Released
16 PAGA Claims” as of the Effective Date of the Settlement. The Settlement Administrator shall notify
17 the Parties in writing upon receipt of the full Gross Settlement Amount.

18 57. Settlement Administration. Within fourteen (14) calendar days after the Preliminary
19 Approval Date, Defendant shall provide the Settlement Administrator with the Class Information.

20 58. Notice to the Class. Upon receipt of the Class Information, the Settlement
21 Administrator will perform a search based on the National Change of Address Database to update
22 and correct any known or identifiable address changes. Within ten (10) calendar days after
23 receiving the Class Information, the Settlement Administrator shall mail copies of the Class Notice
24 to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise
25 its best judgment to determine the current mailing address for each Class Member. The address
26 identified by the Settlement Administrator as the current mailing address shall be presumed to be
27 the best mailing address for each Class Member.

1 a. The Class Notice and Procedure Comports with Due Process. The Parties
2 agree that the notice procedures outlined in this Agreement provide the best and most practical
3 method of giving notice to the Class and fully comply with due process and all applicable laws and
4 rules.

5 b. Undeliverable Notices. Any Class Notice returned to the Settlement
6 Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the
7 forwarding address affixed thereto within seven (7) calendar days. If no forwarding address is
8 provided, the Settlement Administrator shall promptly attempt to determine a correct address by use
9 of skip-tracing, or other search using the name, address and/or Social Security number of the Class
10 Member involved, and shall then perform a re-mailing, if another mailing address is identified by
11 the Settlement Administrator. If the undeliverable notice is for a currently employed Class Member,
12 the Settlement Administrator shall contact Defendant, which will then make all reasonable efforts to
13 obtain the Class Member's current mailing address within seven (7) calendar days and provide it to
14 the Settlement Administrator. Class Members who receive a re-mailed Notice of Class Settlement
15 shall have forty-five (45) days after the postmark date of the re-mailed Notice of Class Settlement
16 to: (a) submit a Request for Exclusion; (b) submit an Objection to the Settlement; or (c) dispute the
17 number of Compensable Workweeks attributed to them.

18 c. Disputes Regarding Individual Settlement Payments. Class Members will
19 have the opportunity, should they disagree with Defendant's records regarding the dates of
20 employment stated in the Class Notice and/or the number of Compensable Workweeks attributed
21 to them, to provide documentation and/or an explanation to show contrary information by the
22 Response Deadline. The dispute form must: (a) contain the full name, address, and telephone
23 number of the Class Member, and the last four digits of the Class Member's social security number
24 or full employee ID number; (b) contain the case name and case number; (c) a clear statement by
25 the Class Member that he or she is disputing the number of Compensable Workweeks and the
26 basis for the dispute; (d) be signed by the Class Member; and (e) be postmarked or e-mailed by the
27 Response Deadline. The date of the postmark on the return mailing envelope on the dispute form,
28 or the date the e-mail is sent, shall be the exclusive means used to determine whether it has been

1 timely submitted. If there is a dispute, the Settlement Administrator will consult with the Parties to
2 determine whether an adjustment is warranted. The Settlement Administrator shall then determine
3 the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this
4 Agreement. In the absence of circumstances indicating fraud, manipulation or destruction,
5 Defendant's records shall be given a rebuttable presumption of accuracy.

6 d. Requests for Exclusion. Class Members who wish to exclude themselves
7 from the Settlement must mail or e-mail to the Settlement Administrator a Request for Exclusion
8 by the Response Deadline. The Request for Exclusion must: (a) contain the full name, address, and
9 telephone number of the Class Member, and the last four digits of the Class Member's social
10 security number; (b) contain the case name and case number; (c) a clear statement by the Class
11 Member that he or she is electing to be excluded from the Settlement; (d) be signed by the Class
12 Member; and (e) be postmarked or e-mailed by the Response Deadline. The date of the postmark
13 on the return mailing envelope on the Request for Exclusion, or the date the e-mail is sent, shall be
14 the exclusive means used to determine whether it has been timely submitted. Any Class Member
15 who requests to be excluded from the Settlement Class shall not be entitled to any Individual
16 Settlement Payment, shall not release any of the Released Claims by Settlement Class Members,
17 and shall not have any right to object, appeal or comment thereon. Class Members who fail to
18 submit a valid and timely Request for Exclusion on or before the Response Deadline shall be
19 bound by all terms of the Settlement and any Final Approval Order and Judgment entered in this
20 Action. Any Class Member who submits a valid and timely Request for Exclusion will still
21 receive their share of the PAGA portion of this settlement if they are eligible as a PAGA
22 Aggrieved Employee.

23 e. Objections. Class Members who wish to object to the Settlement may do so
24 orally at the Final Approval Hearing without the need to submit a written Objection, or by emailing
25 or mailing by U.S. Mail to the Settlement Administrator a written Objection by the Response
26 Deadline. The written Objection must: (a) contain the full name, address, and telephone number of
27 the Class Member, and the last four digits of the Class Member's social security number; (b) contain
28 the case name and case number; (c) the dates of employment of the Class Member; (d) state whether

1 the Class Member intends to appear at the final approval hearing; (e) be signed by the Class Member;
2 (f) state the basis for the Objection, including any legal briefs, papers or memoranda in support of
3 the Objection; and (g) be postmarked or e-mailed by the Response Deadline. The date of the postmark
4 on the return mailing envelope on the written Objection, or the date the e-mail is sent, shall be the
5 exclusive means used to determine whether the written Objection has been timely submitted. Class
6 Members who fail to make Objections in the manner specified above shall be deemed to have waived
7 any objections and shall be foreclosed from making any objections (whether by appeal or otherwise)
8 to the Settlement. Class Counsel shall not represent any Class Members with respect to any
9 Objections. The Settlement Administrator will provide the Parties with any written Objection within
10 seven (7) calendar days of its receipt of any Objection. Plaintiff will file any and all written
11 Objections with the Court in advance of the Final Approval Hearing.

12 59. Funding Gross Settlement Amount. Within ten (10) calendar days of the Effective
13 Date, Defendant shall wire transfer the full Gross Settlement Amount. Defendant shall also
14 separately pay Employer's Share of Payroll Taxes, to the Settlement Administrator as calculated and
15 directed by the Settlement Administrator at the time the Gross Settlement Amount is funded.

16 60. Allocation of Settlement. Individual Settlement Payments will be paid from the Net
17 Settlement Amount and shall be paid pursuant to the settlement formula set forth herein. Individual
18 Settlement Payments shall be mailed by regular First Class U.S. Mail to Settlement Class Members'
19 last known mailing address.

20 a. The Settlement Administrator shall calculate the total Compensable Work
21 Weeks for all Settlement Class Members based on the Class Information provided by Defendant.
22 The respective Compensable Work Weeks for each Settlement Class Member will be divided by the
23 total Compensable Work Weeks for all Settlement Class Members, resulting in the Payment Ratio
24 for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then
25 multiplied by the Net Settlement Amount to determine his or her Individual Settlement Payment.

26 1. Individual Settlement Payments due to each Settlement Class
27 Member shall be designated as follows:
28

1 (a). Thirty-three percent (33%) of the Individual Settlement
2 Payment shall represent payment for alleged unpaid wages. This payment shall be subject to the
3 withholding of all applicable local, state, and federal taxes. Applicable payroll taxes and/or
4 contributions will be deducted from the amount paid to Settlement Class Members. The Settlement
5 Administrator will issue a W-2 Form to each Settlement Class Member in relation to this payment.

6 (b). Sixty-Seven percent (67%) of the Individual Settlement
7 Payment shall represent payment of all penalties and interest. These payments will not be subject
8 to withholding of local, state, and federal taxes. The Settlement Administrator will issue an IRS
9 Form 1099 to each Settlement Class Member in relation to these payments.

10 b. The Settlement Administrator shall calculate the total PAGA Workweeks for
11 all PAGA Aggrieved Employees based on the Class Information. The respective PAGA Workweeks
12 for each PAGA Aggrieved Employee will be divided by the total PAGA Workweeks for all PAGA
13 Aggrieved Employees, resulting in the PAGA Payment Ratio for each PAGA Aggrieved Employee.
14 Each PAGA Aggrieved Employee's PAGA Payment Ratio will then be multiplied by \$7,500 to
15 determine his or her Individual PAGA Payment.

16 c. Un-Negotiated Individual Payment Checks by Settlement Class Members.
17 Individual Settlement Payment checks shall remain negotiable for one hundred and eighty (180)
18 calendar days from the postmark date of issuance. If the Individual Settlement Payment check is not
19 cashed, deposited, or otherwise negotiated by the Settlement Class Member within the 180-day
20 deadline, the check will be voided, and the funds associated with any such voided checks shall be
21 paid in the name of the Class Member to the State of California Controller's Unclaimed Property
22 division. Neither Defendant, Defendant's counsel, Plaintiff's counsel nor Plaintiff will have any
23 liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized
24 negotiation of settlement checks or failure to timely cash a settlement check within the 180-day
25 period. The Settlement Administrator shall send a reminder postcard to any Class Member whose
26 settlement distribution check has not been negotiated within sixty (60) days after the date of mailing.

27 1. Un-Negotiated Individual Checks by PAGA Aggrieved Employees.
28 If Individual PAGA Aggrieved Employees payment checks are not cashed, deposited, or otherwise

1 negotiated by the PAGA Aggrieved Employees within the 180-day deadline, the check will be
2 voided, and the funds associated with any such voided checks shall be paid in the names of the
3 PAGA Aggrieved Employees to the State of California Labor Workforce Development Agency.

4 d. Certification By Settlement Administrator. The Parties have the right to
5 monitor and review administration of the Settlement. Any disputes not resolved by the Settlement
6 Administrator concerning the administration of the Settlement will be resolved by the Court, under
7 the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties
8 will confer in good faith to resolve the disputes without the necessity of involving the Court. Upon
9 completion of administration of the Settlement, the Settlement Administrator shall provide written
10 certification of such completion to counsel for the Parties, and which shall be filed with the Court as
11 necessary.

12 e. Settlement Awards Do Not Trigger Additional Benefits. All monies received
13 by Settlement Class Members shall be deemed to be income to such Settlement Class Members solely
14 in the year in which such awards actually are received by the Settlement Class Members. It is
15 expressly understood and agreed that the receipt of such Individual Settlement Payments will not
16 entitle any Settlement Class Member to additional compensation or benefits under any company
17 compensation or benefit plan or agreement in place during the period covered by the Settlement, nor
18 will it entitle any Settlement Class Member to any increased pension and/or retirement, or other
19 deferred compensation benefits. It is the intent of this Settlement that any Individual Settlement
20 Payments provided for in this Agreement are the sole payments to be made by Defendant to the
21 Settlement Class Members in connection with this Settlement, and that the Settlement Class Members
22 are not entitled to any new or additional compensation or benefits as a result of having received the
23 Individual Settlement Payments (notwithstanding any contrary language or agreement in any benefit
24 or compensation plan document that might have been in effect during the period covered by this
25 Settlement).

26 f. Class Representative Service Award. Defendant agrees not to oppose or
27 object to a Class Representative Service Award to Plaintiff of up to Five Thousand Dollars
28 (\$5,000.00), subject to Court approval. The Settlement Administrator shall issue an IRS Form 1099

1 – MISC to Plaintiff in connection with the Class Representative Service Award payment. Plaintiff
2 shall be solely and legally responsible to pay any and all applicable taxes on his Class Representative
3 Service Award and shall hold harmless Defendant and Class Counsel from any claim or liability for
4 taxes, penalties, or interest arising as a result of the Class Representative Service Award payment.
5 The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement
6 Payment. This Settlement is not contingent upon the Court awarding Plaintiff a Class Representative
7 Service Award in any amount, and any amount requested by Plaintiff for the Class Representative
8 Service Award that is not granted by the Court shall return to the Net Settlement Amount and be
9 distributed to Settlement Class Members as provided in this Agreement.

10 g. Class Counsel Award. Defendant agrees not to oppose or object to any
11 application or motion by Class Counsel for attorneys' fees not to exceed one-third from the Gross
12 Settlement Amount, or One Hundred and Thirteen Thousand and Two Hundred and Twenty Dollars
13 (\$113,220.00). Defendant further agrees not to oppose any application or motion by Class Counsel
14 for the reimbursement of any costs or expenses associated with Class Counsel's prosecution of this
15 matter from the Gross Settlement Amount, up to, but not to exceed Twelve Thousand Dollars
16 (\$17,500.00). Class Counsel shall be solely and legally responsible to pay all applicable taxes on the
17 payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form
18 1099 – MISC to Class Counsel for the payments made pursuant to this paragraph. This Settlement is
19 not contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees and
20 costs. Any amount requested by Class Counsel for the Class Counsel Award and costs that is not
21 granted by the Court shall return to the Net Settlement Amount and be distributed to Settlement Class
22 Members as provided in this Agreement.

23 h. Settlement Administration Costs. The Settlement Administrator shall be paid
24 for the costs of administration of the Settlement from the Gross Settlement Amount. The costs of
25 notice and administration for the disbursement of the Gross Settlement Amount shall not exceed
26 \$10,000. Prior to the filing of a motion for final approval of this Settlement, the Settlement
27 Administrator shall provide the Parties with a statement detailing the costs of administration.
28

1 i. Payment to the LWDA. Thirty thousand dollars (\$30,000) from the Gross
2 Settlement Amount will be allocated to penalties under the Private Attorneys General Act of 2004.
3 Seventy-five percent (75%) of that amount, or \$22,500, will be paid to the LWDA and twenty-five
4 (25%) of that amount, or \$7,500, will be paid to the Settlement Class. This PAGA Payment is made
5 pursuant to California Labor Code § 2699(i).

6 61. Distribution of Settlement Payments. Individual Settlement Payments to Settlement
7 Class Members, the Class Representative Service Award, the Class Counsel Award, Settlement
8 Administration Costs, and payment to the LWDA, shall all be distributed by the Settlement
9 Administrator within fourteen (14) calendar days of receipt of the Gross Settlement Amount from
10 Defendant. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff,
11 Settlement Class Members, Class Counsel, or the Settlement Administrator based on distributions
12 and payments made in accordance with this Agreement.

13 62. Work Week Differential. It is currently estimated that Class Members have worked
14 11,873 Compensable Work Weeks. Defendant shall provide Plaintiff with the total number of Class
15 Members, and the total number of Compensable Work Weeks worked by them, ten (10) calendar
16 days before the date that Plaintiff informs Defendant that Plaintiff will file a motion for preliminary
17 approval. If more than 1,188 additional Compensable Work Weeks are identified at that time, the
18 Gross Settlement Amount will be increased on a pro rata basis according to the number of additional
19 Compensable Work Weeks identified (i.e., all Compensable Work Weeks beyond 13,061).

20 63. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of
21 the Response Deadline, a final approval hearing shall be conducted to determine, *inter alia*, final
22 approval of the Settlement and amounts properly payable for: (a) Individual Settlement Payments;
23 (b) the Class Counsel Award; (c) the Class Representative Service Award; (d) payment to the LWDA;
24 (e) payment to the Aggrieved Employees and (f) the Settlement Administration Costs.

25 64. Nullification of Settlement Agreement. In the even the Settlement does not become
26 final for any reason, then this Agreement, and any documents generated to bring it into effect, shall
27 be null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall
28 likewise be treated as void from the beginning. In the event an appeal is filed from the Court's Final

1 Approval Order and Judgment, or any other appellate review is sought, administration of the
2 Settlement shall be stayed pending final resolution of the appeal or other appellate review, and any
3 fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from
4 the Court's Final Approval Order and Judgment, or any other appellate review, shall be paid to the
5 Settlement Administrator by the party or person that filed the appeal, within thirty (30) calendar days
6 of said notification.

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

11 66. No Admission by Defendant. Defendant denies any and all claims alleged in this
12 Action and denies all wrongdoing whatsoever. This Settlement Agreement is not a concession or
13 admission, and shall not be used against Defendant as an admission or indication with respect to any
14 claim of any fault, concession, or omission by any Defendant.

15 67. Exhibits and Headings. The terms of this Settlement Agreement include the terms set
16 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
17 herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive
18 headings of any paragraphs or sections of this Agreement are inserted for convenience of reference
19 only and do not constitute a part of this Agreement.

20 68. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
21 except such proceedings necessary to implement and complete the Settlement, holding the Action in
22 abeyance pending the final approval hearing to be conducted by the Court.

23 69. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
24 interpretation, calculation or payment of Settlement claims, or other disputes regarding compliance
25 with this Agreement shall be resolved as follows:

26 a. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
27 Member, or Defendant's Counsel, on behalf of Defendant, at any time believe that the other Party
28

1 has breached or acted contrary to the Agreement, that Party shall notify the other Party in writing of
2 the alleged violation.

3 b. Upon receiving notice of the alleged violation or dispute, the responding Party
4 shall have ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
5 with the reasons why the Party disputes all or part of the allegation.

6 c. If the response does not address the alleged violation to the initiating Party's
7 satisfaction, the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
8 differences.

9 d. If Class Counsel and Defendant's Counsel are unable to resolve their
10 differences after twenty (20) calendar days, either Party shall first contact the mediator (Todd Smith)
11 to try to resolve the dispute. If that proves unsuccessful, the party may file an appropriate motion for
12 enforcement with the Court. The briefing of such motion should be in letter brief form and shall not
13 exceed five (5) single-spaced pages (excluding exhibits).

14 e. Reasonable attorneys' fees and costs for work done in resolving a dispute
15 under this Section may be recovered by any Party that prevails under the standards set forth within
16 the meaning of applicable law.

17 70. Amendment or Modification. This Agreement may be amended or modified only by
18 a written instrument signed by counsel for all Parties.

19 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
20 the entire Agreement among these Parties, and no oral or written representations, warranties, or
21 inducements have been made to any Party concerning this Agreement or its Exhibits other than the
22 representations, warranties, and covenants contained and memorialized in the Agreement and its
23 Exhibits.

24 72. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
25 and represent they are expressly authorized by the Parties whom they represent to negotiate this
26 Agreement and to take all appropriate actions required or permitted to be taken by such Parties
27 pursuant to this Agreement to effectuate its terms, and to execute any other documents required to
28 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other

1 and use their best efforts to effect the implementation of the Settlement. In the event the Parties are
2 unable to reach agreement on the form or content of any document needed to implement the
3 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of
4 this Settlement, the Parties may seek the assistance of the Court or the mediator to resolve such
5 disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant that
6 they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants
7 that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim,
8 covered by this Settlement to a third-party.

9 73. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
10 to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

11 74. California Law Governs. All terms of this Settlement Agreement and the Exhibits
12 hereto shall be governed by and interpreted according to the laws of the State of California.

13 75. Counterparts. This Settlement Agreement may be executed in one or more
14 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
15 instrument.

16 76. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement
17 is a fair, adequate, and reasonable settlement of this Action and have arrived at this Settlement after
18 extensive arms-length negotiations, taking into account all relevant factors, present and potential.

19 77. Jurisdiction of the Court. Pursuant to California Code of Civil Procedure section
20 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and
21 enforcement of the terms of this Settlement Agreement and all orders and judgments entered in
22 connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court
23 for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement
24 and all orders and judgments entered in connection therewith. All terms of this Settlement Agreement
25 are subject to approval by the Court.

26 78. Invalidity of Any Provision. Before declaring any provision of this Settlement
27 Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent
28

possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

Dated: 8/26/2022

By:

Cindi Vazquez

DocuSigned by:
Cindi Vazquez
6A1821BD25C84A7

Dated:

By:

Blue Desert International, Inc.

Title:

APPROVED AS TO FORM:

Dated:

By:

Scott E. Wheeler

Law Office of Scott E. Wheeler

Counsel for Plaintiff and the Putative Class

Dated: August 22, 2022

By:

Nicole Golob Minkow

Areen Babajanian

Counsel for Defendant Blue Desert
International, Inc.

possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

Dated: _____

By: _____
Cindi Vazquez

Dated: _____

By: _____
Blue Desert International, Inc.

Title: _____

APPROVED AS TO FORM:

Dated: 8-26-22

By:  _____

Scott E. Wheeler
Law Office of Scott E. Wheeler
Counsel for Plaintiff and the Putative Class

Dated: _____

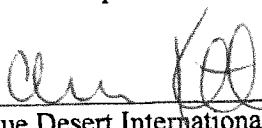
By: _____
Nicole Golob Minkow
Areen Babajanian
Counsel for Defendant Blue Desert
International, Inc.

1 possible consistent with applicable precedents so as to define all provisions of this Agreement valid
2 and enforceable.

3
4 Dated: _____

By: _____
Cindi Vazquez

5
6 Dated: _____

By:  _____
Blue Desert International, Inc.

7
8 Title: _____
9

10 **APPROVED AS TO FORM:**

11
12 Dated: _____

By: _____
Scott E. Wheeler
Law Office of Scott E. Wheeler

13
14 Counsel for Plaintiff and the Putative Class

15
16 Dated: August 22, 2022

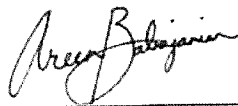
By:  _____
Nicole Golob Minkow
Areen Babajanian
Counsel for Defendant Blue Desert
International, Inc.

EXHIBIT 1

CLASS NOTICE

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

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *Cindi Vazquez, and on behalf of all others similarly situated v. Blue Desert International, Inc., doing business as Hydroquip*, California Superior Court, County of Riverside, County of Riverside, Case No. CVRI2103321 (the “Action”). The Court only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final approval hearing.

You may be entitled to money from this Settlement. Blue Desert International, Inc., doing business as Hydroquip (“Defendant”) records show that you belong to the following “Class” of all current and former hourly paid who worked at Defendant at any time during the Class Period and therefore are “Class Members”. You may also qualify for a penalties payment pursuant to the Private Attorneys General Act (“PAGA”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

Your options are further explained in this Notice. To exclude yourself from, or object to the Settlement, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you don’t need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against <i>Blue Desert International, Inc., doing business as Hydroquip</i> (“Defendant”), for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement. If you exclude yourself from the Settlement, you will still receive your payment for penalties under the Private Attorneys General Act (“PAGA”), if you are eligible.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you believe the Settlement is objectionable. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

All hourly employees who worked for Defendant in California at any time from July 9, 2017 through (INSERT PRELIMINARY APPROVAL DATE) (“Class Period”).

According to Defendant’s records, you are a member of the Class (a “Class Member”).

Also according to Defendant’s records, you were employed from May 5, 2020 to (INSERT PRELIMINARY APPROVAL DATE), and are therefore a PAGA Aggrieved Employee as well.

What is this case about?

In the Action, Cindi Vazquez (“Plaintiff”) alleges on behalf of herself and the Class the following claims against Blue Desert International, Inc., doing business as Hydroquip (“Defendant”): (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Order 1-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Order 1-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Order 1-2001, Section 3; (4) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (5) failure to provide accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Order 1-2001 Section 7; (6) ; failure to maintain required records in violation of Labor Code section 226 and Industrial Welfare Order 1-2001 Section 7; (7) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (8) and violation of the California Private Attorneys General Act (“PAGA”), Labor Code Sections 2698, 2699 and 2699.5.

Defendant denies any and all wrongdoing and maintains that it has complied with all laws alleged to have been violated in the First Amended Class Action Complaint (“Operative Complaint”) filed by Plaintiff as part of this Settlement. Defendant notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability by Defendant. The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this Lawsuit?

Class Counsel

THE LAW OFFICE OF SCOTT ERNEST WHEELER

Scott Ernest Wheeler
250 West First Street, Ste. 216
Claremont, CA 91711
Telephone: (909) 621-4988

Defendant’s Counsel

FISHER & PHILLIPS LLP

Nicole Golob
Areen Babajanian
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Telephone: (213) 402-9577

What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay the total sum of \$340,000 (the “Gross Settlement Amount”). It is estimated that, subject to Court approval, after deducting the attorney’s fees and costs, service awards to Plaintiff, payment to the California Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees for penalties pursuant to the California Private Attorneys General Act (“PAGA”), and settlement administration costs from Gross Settlement Amount, there will be a Net Settlement Amount of at least \$176,236.

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class (“Settlement Class Member”). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of Compensable Workweeks worked by each Settlement Class Member to the total number of Workweeks worked by all Settlement Class Members, calculated based on Defendant’s records.

According to Defendant's records, during the period of July 9, 2017 through (INSERT PRELIMINARY APPROVAL DATE), you worked ____ Compensable Workweeks in California, and therefore, your settlement payment as a Class Member is estimated to be \$ ____.

According to Defendant's records, during the period of May 5, 2022 through (INSERT PRELIMINARY APPROVAL DATE), you worked ____ PAGA Pay Periods in California, and therefore, your PAGA payment is estimated to be \$ ____.

Your settlement payments are only estimates. Your actual settlement payments may be higher or lower than estimated.

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator at _____ by mail, postmarked no later than [Response Deadline], or by e-mail by _____. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute; and (4) and be signed by you. You may also dispute your PAGA Pay Periods by following the same process you can dispute your Compensable Workweeks set forth above. You should attach any documentation in support of your dispute.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. Any funds that are not timely negotiated by Settlement Class Members will be paid to the State of California Controller's Unclaimed Property division in the name of the Class Member. Funds representing penalties that are not timely negotiated by PAGA Aggrieved Employees will be paid to the California Labor Workforce Development Agency.

The settlement payment issued to you will be allocated as follows: thirty-three percent (33%) as wages, sixty-seven percent (67%) as penalties and interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees up to \$113,220 (1/3 of the Gross Settlement Amount) and reimbursement of reasonable litigation costs of up to \$11,543.98. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to \$5,000 for her efforts in representing the Class. The cost of administering the Settlement will not exceed \$9,000. A payment in the amount of \$22,500 will also be made to the LWDA for its share of PAGA penalties, while \$7,500 will be paid to PAGA Aggrieved Employees. Any of these amounts not awarded by the Court will be included in the \$176,236 and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the date that the Gross Settlement Amount is fully-funded by Defendant, and in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release

and discharge Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action, alleged in the operative Complaint for; (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Commission Order 1-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Commission Order 1-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Commission Order 1-2001, Section 3; (4) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (5) failure to provide accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Commission Order 1-2001 Section 7; (6) ; failure to maintain required records in violation of Labor Code section 226 and Industrial Welfare Commission Order 1-2001 Section 7; (7) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (8) and violation of the California Private Attorneys' General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and Industrial Welfare Commission Wage Order 1-2001 as alleged in the Operative Complaint and the PAGA Notice dated April 23, 2021. This release shall apply to all claims arising at any point during the Class Period.

In addition, Plaintiff and the State of California will release all claims for civil penalties only under the Private Attorneys General Act ("PAGA"), alleged in the Operative Complaint and that Plaintiff and the State of California are fully and irrevocably releasing the Released Parties from, in exchange for the consideration provided by this Settlement. Plaintiff and the State of California will only release claims alleged in the PAGA Notice and within the Operative Complaint. In particular, the released claims include the underlying purported violations for failure to provide meal and rest periods to hourly employees, in violation of Labor Code Sections 226.7, 510, 512, 1194, 1197 and Wage Order No. 1-2001, Sections 11-12; failure to pay one additional hour of compensation to hourly employees at their regular rate of pay for each workday that a meal or rest period is not provided, in violation of Labor Code Section 226.7 and Wage Order No. 1-2001, Sections 11(B) and 12(B); failure to pay hourly employees overtime wages, in violation of Labor Code Sections 510, 1194, 1198, and Wage Order No. 1 -2001, Section 3; failure to pay hourly employees the unpaid balance of the full amount of overtime compensation, including interest, in violation of Labor Code Section 1194; failure to timely pay hourly employees all wages due, in violation of Labor Code Section 204; willful failure to pay discharged or quitting hourly employees all wages due, in violation of Labor Code Sections 201-203; failure to provide accurate itemized wage statements to hourly employees in violation of Labor Code Sections 226, 1174, and 1174.5; and failure to maintain required records of hourly employees, in violation of Labor Code Sections 1174, 1174.5, and Wage Order No. 1-2001, Section 7, and violation of Labor Code §248.2 regarding the failure to provide supplemental COVID sick leave.

Released Parties" collectively mean: (i) Defendant; and (ii) Defendant's current officers, directors, employees and agents only.

"Effective Date" means the date on which the Superior Court's Final Approval Order and Judgment becomes final and the Gross Settlement Amount is fully funded by Defendant. The Superior Court's Final Approval Order and Judgment "becomes final" upon the latter of: (a) if there is no Objection to the Settlement, or if there is an Objection but it is withdrawn, then, the date that the Final Approval Order and Judgment is entered by the Court; (b) if there is an Objection to the Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court; or (c) if there is an Objection to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate proceeding opposing the Settlement has been filed within sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court, then, when any such appeal, writ, or other appellate proceeding opposing the validity of the Settlement has been resolved finally and conclusively with no right to pursue further remedies or relief.

What are my options?

You have several options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at _____ or e-mail a Request for Exclusion to ILYM Group, Inc. by the [Response Deadline]. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before _____. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount but you will preserve all of the legal claims asserted in this Action against Defendant. If you are a PAGA Aggrieved Employee, you will still receive a PAGA payment and be subject to the PAGA release outlined above even if you submit a Request for Exclusion. The Request for Exclusion form is enclosed with this notice for your convenience.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you can appear at the Final Approval Hearing and make an oral objection or make a written objection. If you wish to object in writing, you must mail to the Settlement Administrator at 14771 Plaze Drive, Suite L, Tustin, California 92780, a written statement of objection, or e-mail the written objection to _____. The written objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state whether you intend to appear at the final approval hearing; (5) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and (6) be signed by you. In order to be timely, the written objection must be postmarked, or e-mailed, on or before _____. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection. The Objection Form is enclosed with this notice for your convenience.

You cannot object to the Settlement if you request exclusion from the Settlement.

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

The Court will hold a final approval hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on _____ in Department 1 of the Riverside Superior Court, Historic Court House, located at 4050 Main Street, Riverside, California 92501. The final approval hearing may be continued without further notice to Class Members. If you submit a written an objection to the Settlement, the Administrator will provide you notice of the continued hearing date. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Riverside Superior Court Historic Court House, located at 4050 Main Street, Riverside, California 92501. A copy of the Settlement Agreement was filed on 04/14/2022, 2022 and is attached to the Declaration of Scott Ernest Wheeler In Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement. The Amended Settlement Agreement is attached to the Declaration of Scott Ernest Wheeler In Support of Plaintiff's Renewed Motion for Preliminary Approval of Amended Class Action Settlement filed on 04/14/2022, 2022. You can also visit the Court's website at: www.riverside.courts.ca.gov for more information, including obtaining a copy of the Settlement Agreement and the Court's updated COVID-19 protocol.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

EXHIBIT 2

1 **LAW OFFICE OF SCOTT ERNEST WHEELER**

2 Scott Ernest Wheeler (SBN 187998)
3 250 West First Street, Suite 216
4 Claremont, California 91711-4790
5 Telephone: (909) 621-4988
6 Facsimile: (909) 621-4622
7 Email: sew@scottwheelerlawoffice.com

8 Attorneys for Plaintiff and the Putative Class

9
10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF RIVERSIDE**
12 **HISTORIC COURT HOUSE**

13 CINDI VAZQUEZ, individually, and on
14 behalf of all others similarly situated,

15 Plaintiff,

16 v.

17 BLUE DESERT INTERNATIONAL, INC.,
18 a California corporation, doing business as
19 HYDROQUIP; and DOES 1 through 50,
20 inclusive,

21 Defendants.

Case No.: CVRI2103321

[Assigned for all purposes to the Honorable
Craig G. Riemer, Department 1]

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

1 **[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL**

2 The Court now has before it Plaintiff's unopposed Renewed Motion for Preliminary
3 Approval of Class Action Settlement ("Motion"). After reviewing the Motion, the Class Action
4 Settlement Agreement and Release and Amended Class Action Settlement Agreement and Release
5 ("Settlement Agreement") attached to the Declaration Of Scott Ernest Wheeler In Support Of
6 Renewed Motion For Preliminary Approval Of Class Action Settlement Filed On Behalf Of
7 Plaintiff, Cindi Vazquez, as Exhibits A and B, respectively, and additional exhibits attached thereto,
8 and good cause appearing therefore, the Court hereby finds and orders as follows:

9 1. The Court finds on a preliminary basis that the settlement memorialized in the
10 Settlement Agreement appears to be fair and adequate, and falls within the range of reasonableness,
11 and therefore meets the requirement for preliminary approval.

12 2. The Court conditionally certifies for settlement purposes the following class (the
13 "Class" or "Settlement Class"):

14 All hourly employees who worked for Defendant in California at any time
15 from July 9, 2017 through (INSERT PRELIMINARY APPROVAL DATE).

16 (See, Amended Class Action Settlement Agreement and Release, paragraphs 2 and 8).

17 The Class Period is from July 9, 2017 through (INSERT PRELIMINARY APPROVAL
18 DATE).

19 3. The court conditionally certifies for settlement purposes the portion of this settlement
20 regarding the Private Attorneys General Act ("PAGA Aggrieved Employees):

21 All hourly employees who worked for Defendant in California at any time
22 from May 5, 2020 through (INSERT PRELIMINARY APPROVAL DATE)

23 The PAGA Period means the time from May 5, 2020 through (INSERT PRELIMINARY
24 APPROVAL DATE).

25 (See, Amended Class Action Settlement Agreement and Release, paragraph 25).

26 4. The Court finds, for settlement purposes, that the Class meets the requirements for
27 certification under California Code of Civil Procedure § 382 in that: (1) the Class is so numerous
28 that joinder is impractical; (2) there are questions of law and fact that are common, or of general

1 interest, to the Class, which predominate over any individual issues; (3) Plaintiff's claims are typical
2 of the claims of the Class; (4) Plaintiff and Plaintiff's counsel will fairly and adequately protect the
3 interests of the Class; and (5) a class action is superior to other available methods for the fair and
4 efficient adjudication of the controversy.

5 5. The Court appoints, for settlement purposes, Plaintiff Cindi Vazquez as
6 Representative for the Class.

7 6. The Court appoints, for settlement purposes, the Law Office of Scott Ernest
8 Wheeler, as counsel for the Class.

9 7. The Parties are ordered to carry out the Settlement according to the terms of the
10 Settlement Agreement.

11 8. The Court appoints ILYM Group, Inc. as the Settlement Administrator and is ordered
12 to carry out the administration of the settlement according to the terms of the Settlement Agreement.

13 9. The Class Action Settlement Notice (Exh. A) shall be accompanied by the
14 Exclusion Form (Exh. B) and shall instruct Class Members to submit Exh. B to the Settlement
15 Administrator, ILYM Group, Inc., and not this Court. The Settlement Administrator shall direct
16 copies of any Exclusion Forms to counsel for the Parties. In the event that any Exclusion Forms
17 are received from Class Members, the Settlement Administrator is ordered to file a declaration
18 concurrently with the filing of Plaintiff's Motion for Final Approval, authenticating a copy of
19 every exclusion form received.

20 10. The Class Action Settlement Notice (Exh. A) shall be accompanied by the
21 Objection Form (Exh. C) and shall instruct Class Members to submit Exh. C to the Settlement
22 Administrator, ILYM Group, Inc., and not this Court. The Settlement Administrator shall direct
23 copies of any Objection Forms to counsel for the Parties. In the event that any Objection Forms
24 are received from Class Members, the Settlement Administrator is ordered to file a declaration
25 concurrently with the filing of Plaintiff's Motion for Final Approval, authenticating a copy of
26 every Objection Form received.

27 11. If any Class Member objects to the Settlement Agreement, the objection party is
28 not required, either personally or through counsel: 1) to appear at the hearing on the motion for

1 final approval for that party's objection to be considered; or 2) to file or serve, or to state in the
2 objection, a notice of intention to appear at the hearing on the motion for final approval.

3 12. ILYM Group, Inc., the Settlement Administrator, shall provide notice to any
4 objecting party of any continuance of the hearing of Plaintiff's Motion for Final Approval.

5 13. The Court orders the following implementation schedule:

Event	Date
Last day for Defendant to provide the Settlement Administrator with the Class Information	October 13, 2022
Last day for Settlement Administrator to mail Notice Packet	October 26, 2022 (10 th day is on a Sunday)
Last day for Class Members to submit a Request for Exclusion or Objection	December 12, 2022 (30 th day falls on a Sunday)
Last Day to file Motion for Final Approval and Request for Attorneys' Fees and Costs	Per Code.
Final Approval Hearing	December 28, 2022

15
16 14. At the Final Approval Hearing, the Court will consider, *inter alia*, whether the
17 Settlement should be finally approved as fair, reasonable and adequate, whether a final judgment
18 should be entered, and whether the payments provided for under the Settlement, including attorneys'
19 fees and costs and class representative service awards, should be finally approved and granted.

20 15. Pending the Final Approval Hearing, all proceedings in this Action, other than
21 proceedings necessary to implement the Settlement and this Order, are stayed.

22 **IT IS SO ORDERED.**

23 DATED: _____

24 _____
25 HONORABLE CRAIG G. RIEMER
26 JUDGE OF THE SUPERIOR COURT
27
28

EXHIBIT A

CLASS NOTICE

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

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *Cindi Vazquez, and on behalf of all others similarly situated v. Blue Desert International, Inc., doing business as Hydroquip*, California Superior Court, County of Riverside, County of Riverside, Case No. CVRI2103321 (the “Action”). The Court only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final approval hearing.

You may be entitled to money from this Settlement. Blue Desert International, Inc., doing business as Hydroquip (“Defendant”) records show that you belong to the following “Class” of all current and former hourly paid who worked at Defendant at any time during the Class Period and therefore are “Class Members”. You may also qualify for a penalties payment pursuant to the Private Attorneys General Act (“PAGA”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

Your options are further explained in this Notice. To exclude yourself from, or object to the Settlement, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you don’t need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against <i>Blue Desert International, Inc., doing business as Hydroquip</i> (“Defendant”), for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement. If you exclude yourself from the Settlement, you will still receive your payment for penalties under the Private Attorneys General Act (“PAGA”), if you are eligible.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you believe the Settlement is objectionable. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

All hourly employees who worked for Defendant in California at any time from July 9, 2017 through (INSERT PRELIMINARY APPROVAL DATE) (“Class Period”).

According to Defendant’s records, you are a member of the Class (a “Class Member”).

Also according to Defendant’s records, you were employed from May 5, 2020 to (INSERT PRELIMINARY APPROVAL DATE), and are therefore a PAGA Aggrieved Employee as well.

What is this case about?

In the Action, Cindi Vazquez (“Plaintiff”) alleges on behalf of herself and the Class the following claims against Blue Desert International, Inc., doing business as Hydroquip (“Defendant”): (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Order 1-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Order 1-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Order 1-2001, Section 3; (4) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (5) failure to provide accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Order 1-2001 Section 7; (6) ; failure to maintain required records in violation of Labor Code section 226 and Industrial Welfare Order 1-2001 Section 7; (7) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (8) and violation of the California Private Attorneys General Act (“PAGA”), Labor Code Sections 2698, 2699 and 2699.5.

Defendant denies any and all wrongdoing and maintains that it has complied with all laws alleged to have been violated in the First Amended Class Action Complaint (“Operative Complaint”) filed by Plaintiff as part of this Settlement. Defendant notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability by Defendant. The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this Lawsuit?

Class Counsel

THE LAW OFFICE OF SCOTT ERNEST WHEELER

Scott Ernest Wheeler
250 West First Street, Ste. 216
Claremont, CA 91711
Telephone: (909) 621-4988

Defendant’s Counsel

FISHER & PHILLIPS LLP

Nicole Golob
Areen Babajanian
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Telephone: (213) 402-9577

What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay the total sum of \$340,000 (the “Gross Settlement Amount”). It is estimated that, subject to Court approval, after deducting the attorney’s fees and costs, service awards to Plaintiff, payment to the California Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees for penalties pursuant to the California Private Attorneys General Act (“PAGA”), and settlement administration costs from Gross Settlement Amount, there will be a Net Settlement Amount of at least \$176,236.

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class (“Settlement Class Member”). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of Compensable Workweeks worked by each Settlement Class Member to the total number of Workweeks worked by all Settlement Class Members, calculated based on Defendant’s records.

According to Defendant's records, during the period of July 9, 2017 through (INSERT PRELIMINARY APPROVAL DATE), you worked ____ Compensable Workweeks in California, and therefore, your settlement payment as a Class Member is estimated to be \$ ____.

According to Defendant's records, during the period of May 5, 2022 through (INSERT PRELIMINARY APPROVAL DATE), you worked ____ PAGA Pay Periods in California, and therefore, your PAGA payment is estimated to be \$ ____.

Your settlement payments are only estimates. Your actual settlement payments may be higher or lower than estimated.

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator at _____ by mail, postmarked no later than [Response Deadline], or by e-mail by _____. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute; and (4) and be signed by you. You may also dispute your PAGA Pay Periods by following the same process you can dispute your Compensable Workweeks set forth above. You should attach any documentation in support of your dispute.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. Any funds that are not timely negotiated by Settlement Class Members will be paid to the State of California Controller's Unclaimed Property division in the name of the Class Member. Funds representing penalties that are not timely negotiated by PAGA Aggrieved Employees will be paid to the California Labor Workforce Development Agency.

The settlement payment issued to you will be allocated as follows: thirty-three percent (33%) as wages, sixty-seven percent (67%) as penalties and interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees up to \$113,220 (1/3 of the Gross Settlement Amount) and reimbursement of reasonable litigation costs of up to \$11,543.98. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to \$5,000 for her efforts in representing the Class. The cost of administering the Settlement will not exceed \$9,000. A payment in the amount of \$22,500 will also be made to the LWDA for its share of PAGA penalties, while \$7,500 will be paid to PAGA Aggrieved Employees. Any of these amounts not awarded by the Court will be included in the \$176,236 and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the date that the Gross Settlement Amount is fully-funded by Defendant, and in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release

and discharge Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action, alleged in the operative Complaint for; (1) failure to provide meal periods pursuant to Labor Code Sections 226.7, 512 and Industrial Welfare Commission Order 1-2001, Section 11; (2) failure to provide rest periods pursuant to Labor Code Section 226.7 and Industrial Welfare Commission Order 1-2001, Section 12; (3) failure to pay overtime wages pursuant to Labor Code Sections 510, 1194, 1198, Industrial Welfare Commission Order 1-2001, Section 3; (4) failure to pay all wages owed and due at termination of employment in violation of Labor Code Sections 201, 202 and 203; (5) failure to provide accurate itemized wage statements in violation of Labor Code section 226 and Industrial Welfare Commission Order 1-2001 Section 7; (6) ; failure to maintain required records in violation of Labor Code section 226 and Industrial Welfare Commission Order 1-2001 Section 7; (7) violation of the California Unfair Competition Law in violation of Business and Professions Code Section 17200; and (8) and violation of the California Private Attorneys' General Act ("PAGA"), Labor Code Sections 2698, 2699 and 2699.5, predicated on the violations of the California Labor Code and Industrial Welfare Commission Wage Order 1-2001 as alleged in the Operative Complaint and the PAGA Notice dated April 23, 2021. This release shall apply to all claims arising at any point during the Class Period.

In addition, Plaintiff and the State of California will release all claims for civil penalties only under the Private Attorneys General Act ("PAGA"), alleged in the Operative Complaint and that Plaintiff and the State of California are fully and irrevocably releasing the Released Parties from, in exchange for the consideration provided by this Settlement. Plaintiff and the State of California will only release claims alleged in the PAGA Notice and within the Operative Complaint. In particular, the released claims include the underlying purported violations for failure to provide meal and rest periods to hourly employees, in violation of Labor Code Sections 226.7, 510, 512, 1194, 1197 and Wage Order No. 1-2001, Sections 11-12; failure to pay one additional hour of compensation to hourly employees at their regular rate of pay for each workday that a meal or rest period is not provided, in violation of Labor Code Section 226.7 and Wage Order No. 1-2001, Sections 11(B) and 12(B); failure to pay hourly employees overtime wages, in violation of Labor Code Sections 510, 1194, 1198, and Wage Order No. 1 -2001, Section 3; failure to pay hourly employees the unpaid balance of the full amount of overtime compensation, including interest, in violation of Labor Code Section 1194; failure to timely pay hourly employees all wages due, in violation of Labor Code Section 204; willful failure to pay discharged or quitting hourly employees all wages due, in violation of Labor Code Sections 201-203; failure to provide accurate itemized wage statements to hourly employees in violation of Labor Code Sections 226, 1174, and 1174.5; and failure to maintain required records of hourly employees, in violation of Labor Code Sections 1174, 1174.5, and Wage Order No. 1-2001, Section 7, and violation of Labor Code §248.2 regarding the failure to provide supplemental COVID sick leave.

Released Parties" collectively mean: (i) Defendant; and (ii) Defendant's current officers, directors, employees and agents only.

"Effective Date" means the date on which the Superior Court's Final Approval Order and Judgment becomes final and the Gross Settlement Amount is fully funded by Defendant. The Superior Court's Final Approval Order and Judgment "becomes final" upon the latter of: (a) if there is no Objection to the Settlement, or if there is an Objection but it is withdrawn, then, the date that the Final Approval Order and Judgment is entered by the Court; (b) if there is an Objection to the Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court; or (c) if there is an Objection to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate proceeding opposing the Settlement has been filed within sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court, then, when any such appeal, writ, or other appellate proceeding opposing the validity of the Settlement has been resolved finally and conclusively with no right to pursue further remedies or relief.

What are my options?

You have several options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at _____ or e-mail a Request for Exclusion to ILYM Group, Inc. by the [Response Deadline]. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before _____. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount but you will preserve all of the legal claims asserted in this Action against Defendant. If you are a PAGA Aggrieved Employee, you will still receive a PAGA payment and be subject to the PAGA release outlined above even if you submit a Request for Exclusion. The Request for Exclusion form is enclosed with this notice for your convenience.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you can appear at the Final Approval Hearing and make an oral objection or make a written objection. If you wish to object in writing, you must mail to the Settlement Administrator at 14771 Plaze Drive, Suite L, Tustin, California 92780, a written statement of objection, or e-mail the written objection to _____. The written objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state whether you intend to appear at the final approval hearing; (5) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and (6) be signed by you. In order to be timely, the written objection must be postmarked, or e-mailed, on or before _____. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection. The Objection Form is enclosed with this notice for your convenience.

You cannot object to the Settlement if you request exclusion from the Settlement.

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

The Court will hold a final approval hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on _____ in Department 1 of the Riverside Superior Court, Historic Court House, located at 4050 Main Street, Riverside, California 92501. The final approval hearing may be continued without further notice to Class Members. If you submit a written an objection to the Settlement, the Administrator will provide you notice of the continued hearing date. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Riverside Superior Court Historic Court House, located at 4050 Main Street, Riverside, California 92501. A copy of the Settlement Agreement was filed on _____, 2022 and is attached to the Declaration of Scott Ernest Wheeler In Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement. The Amended Settlement Agreement is attached to the Declaration of Scott Ernest Wheeler In Support of Plaintiff's Renewed Motion for Preliminary Approval of Amended Class Action Settlement filed on _____, 2022. You can also visit the Court's website at: www.riverside.courts.ca.gov for more information, including obtaining a copy of the Settlement Agreement and the Court's updated COVID-19 protocol.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

EXHIBIT B

Vazquez v. Blue Desert International, Inc., doing business as Hydroquip
California Superior Court, County of Riverside, Case No. CVRI2103321

EXCLUSION FORM

IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT, YOU MUST SIGN AND FILL OUT THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST EMAIL TO (INSERT EMAIL ADDRESS) OR MAIL THIS FORM BY FIRST CLASS U.S. MAIL TO THE SETTLEMENT ADMINISTRATOR, ILYM GROUP, INC. AT THE ADDRESS BELOW AND IT MUST BE POSTMARKED OR EMAILED ON OR BEFORE _____.

ILYM Group, Inc. Re: <i>Vazquez v. Blue Desert International, Inc., doing business as, Hydroquip</i>
14771 Plaza Drive, Suite L Tustin, CA 92780 Phone: (888) 250-6810 Fax: (888) 845-6185 E-Mail (insert address)

IT IS MY DECISION TO BE EXCLUDED FROM THE CLASS AND NOT TO RECEIVE ANY MONEY UNDER THE SETTLEMENT.

I confirm that I was employed by and performed work for Defendant Blue Desert International, Inc., doing business as, Hydroquip between July 9, 2017 and (INSERT DATE OF PRELIMINARY APPROVAL). I confirm that I have received notice of the proposed settlement in this action. I have decided to be excluded from the Class, and I have decided not to participate in the proposed Settlement. I understand that by submitting this Exclusion Form, I will be forever barred from receiving any money under the Settlement, and will not be bound by the Settlement. If you exclude yourself from the Settlement, you will still receive your share of the penalties payment under the Private Attorneys General Act if you are eligible.

DATED: _____

(Signature)

(Address)

(Type or Print Name)

(City, State, Zip)

(Employee ID or Last Four Social Security Numbers)

EXHIBIT C

Vazquez v. Blue Desert International, Inc., doing business as Hydroquip
California Superior Court, County of Riverside, Case No. CVRI2103321

OBJECTION FORM

THIS FORM MUST BE POSTMARKED OR EMAILED NO LATER THAN xxx.

ONLY RETURN THIS FORM IF YOU WANT TO OBJECT TO THE SETTLEMENT.

Name (First, Middle, Last)

[preprinted by settlement administrator]

OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and if you participate in the Settlement and receive a Settlement Share you do so in exchange for a release of the Released Claims as more fully discussed below.
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If you wish to Object to the Settlement You can appear at the Final Approval Hearing and make an oral objection, or you can make a written objection. If you wish to make a written objection, you must mail or email the Settlement Administrator, ILYM Group, Inc. at _____. The written objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state whether you intend to appear at the final approval hearing; (5) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and (6) be signed by you. In order to be timely, the written objection must be postmarked, or e-mailed, on or before _____. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection.

You can appear in person at the Final Approval Hearing set for _____, 2022 at _____ in Dept. 1 of the Riverside County Superior Court and discuss your objections with the Court and the Parties. The Final Approval Hearing may be continued to another date. If you file a timely written Objection, the Settlement Administrator will notify you of any continuance of the Final Approval Hearing. You may withdraw your Objection at any time. If you have submitted a Request for Exclusion Form, you may not submit objections to the Settlement. You do not need to state an intent to appear at or appear at the Final Approval Hearing to have your Objection considered by the Court.

Please state all reasons for the objection below and sign, date and include your address and telephone number. The Settlement Administrator will stamp the date received on the original and send copies of each objection to Class Counsel and Counsel for Blue Desert International, Inc., doing business as Hydroquip, who will then file the objection with the Court.

Reason(s) for Objection: (you may include additional pages if necessary)

Dated: _____

(signature)

(typed or print name)

(Employee Id. or Last Four Social Security
Numbers)

(address)

If you wish to object to the Settlement, you must mail your Objection by 05/02, 2022 to:

ILYM Group, Inc.
Re: *Vazquez v. Blue Desert International, Inc., doing business as, Hydroquip*

14771 Plaza Drive, Suite L
Tustin, CA 92780
Phone: (888) 250-6810
Fax: (888) 845-6185