

MEMORANDUM OF UNDERSTANDING ("MOU")

Plaintiff Hector Arzola ("Class Representative")
Defendant All Star Glass, Inc. ("Defendants")
Case No(s): 56-2021-00553193-CU-OE-VTA
Jurisdiction: Ventura County Superior Court

Plaintiff Hector Arzola and Defendants All Star Glass, Inc. ("Defendants") (collectively, the "Parties") hereby agree to the following material terms to resolve the above-referenced matter:

- 1. Joint Stipulation:** The Parties shall enter into a Class Action Settlement Agreement and Release of Claims containing all terms necessary for class action approval to be submitted to the Court. Plaintiff's counsel shall be responsible for promptly providing the first draft of the Settlement Agreement to Defendant's after signing this MOU.
- 2. Class Definition:** All hourly non-exempt individuals who are or were employed by Defendant in California from April 14, 2017 until May 14, 2022, or the date the workweeks in the class increase 5% of 39,000, whichever occurs sooner.
- 3. Class Period:** April 14, 2017 until May 14, 2022, or the date the workweeks in the class increase 5% of 39,000.
- 4. Class Size:** The Class is estimated to be approximately 342 people who worked approximately 39,000 workweeks.
- 5. Gross Settlement Amount:**

Within 7 days of the Effective Date (as defined in paragraph 9 below), Defendant shall pay the Gross Settlement Amount of \$662,436 to the agreed upon Settlement Administrator. The Gross Settlement Amount is inclusive of the following:

- a. Attorneys' fees (33.33%) \$220,812
- b. Costs: \$not to exceed \$20,000
- c. Plaintiff's Enhancement: \$10,000
- d. Settlement Administration: \$7,500
- e. PAGA Settlement Amount: \$10,000

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The Gross Settlement Amount less the amounts listed in 3(a)-(d) shall be the “Net Settlement Amount.”

Net Settlement Amount: \$TBD

Irrespective of the list above Defendant shall under no circumstances pay more than the Gross Settlement Amount except for the employer’s share of payroll tax.

- 6. Notice:** Notice of this settlement shall be sent to all Class Members within 30 days of Preliminary Approval by the Court. The Notice shall include a description of the claims to be settled, the total amount of the settlement, the amounts to be deducted as attorneys’ fees, costs, and other payments, the method of calculating payments to Class Members, information regarding Class Members’ right to opt out or object, and a description of the method for opting out or objecting. The Notice shall also identify Class Counsel, a number to reach Class Counsel, the court in which the action is pending, the date set for the final approval hearing, and the location of additional information regarding the action. The Notice shall also include time frame for disputing the number of work months worked by the Class Member as calculated by the Settlement Administrator.

7. Method of Distribution:

a. Calculation of Individual Settlement Amount:

- i. The Net Settlement Amount shall be divided by the total amount of weeks worked by all employees in the Class during the Class Period to determine an “Average Weekly Settlement Amount.” Work weeks may be counted on a fractional basis.
- ii. The total number of weeks worked by each Class Member during the Class Period, as modified in paragraph 7.a.i., above, shall be multiplied by the Average Weekly Settlement Amount to determine each Class Member’s Individual Settlement Amount. In no event shall defendants pay more than the Gross Settlement Amount. If the individual settlement amount is less than the amount of potentially underpaid wages as calculated by Defendant and agreed upon by Plaintiff’s counsel, the Class Member’s Individual Settlement amount shall be increased to ensure payment of the total amount of potentially underpaid wages. In the event of an increase in the Individual Settlement Amount, the Net Settlement Amount shall be reduced proportionately.

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b. Calculation of Individual PAGA Settlement Amount:

- i. The amount to be distributed to PAGA Members for the portion of the settlement allocated to PAGA penalties will be calculated as follows. Twenty-five percent (25%) of the PAGA Settlement Amount shall be divided by the total amount of weeks worked by all employees in the Class during the time period from April 14, 2020 to May 14, 2022, or the date the workweeks in the class increase 5% of 39,000, to determine the “Average Weekly PAGA Amount.” Work weeks may be counted on a fractional basis.
- ii. The total number of weeks worked by each PAGA Member during the time period of April 14, 2020 through May 14, 2022, or the date the workweeks in the class increase 5% of 39,000, as modified in paragraph 7.b.i., above, shall be multiplied by the Average Weekly PAGA Amount to determine each Class Member’s Individual PAGA Settlement Amount.

- c. **Tax Treatment of Individual Settlement Amount:** Individual Settlement Amounts shall be designated as follows: (i) sixty-seven percentage shall be allocated penalties and interest as agreed by the parties; and (ii) thirty three percentage will be considered wages as agreed to by the parties. In no event with the percentage allocated to wages be less than the amount of potentially underpaid wages to the Class Member. The penalties and interest portions will be reported to each Class Member on an IRS Form 1099, and the wage portion will be reported to each Class Member on an IRS Form W-2.

8. Settlement Administration:

- a. **Information to the Claims Administrator:** Within 10 calendar days of entry of the Court’s entry of an Order granting Preliminary Approval, Defendant will provide the Settlement Administrator Administrator the: (i) name and last known address for each class member; (ii) dates of employment that each class member worked during the Class Period; and (iii) Social Security Number for each class member, to confirm or update contact information.
- b. **Opt-Out/Objection Period:** A Class Member may opt-out or object to the settlement within 45 days from the date of mailing the Notice. If a Class Member submits a written, signed challenge to his/her Settlement Amount, then the Class Member may opt-out or object to the settlement within 10 days from the date

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the Claims Administrator mails an adjusted Settlement Amount or notice of rejection of the challenge.

- c. **Unclaimed Amounts:** If any Individual Settlement Award check remains uncashed after one hundred and eighty (180) calendar days from the date the check is issued, such check(s) will be voided by the Settlement Administrator. Thereafter, the funds represented by any uncashed or undeliverable checks shall be redistributed to those Class Members who cashed their Individual Settlement Award checks. If any redistributed amounts are not cashed, such check(s) will be voided by the Settlement Administrator. Then, subject to approval by the Court, the funds represented by any uncashed redistributed checks shall be sent to the State of California's Unclaimed Property Fund, subject to Court approval, Should the Court not approve, then distributed to a cy pres beneficiary agreed upon by the Parties and subject to the Court's approval.

- 9. Effective Date:** means the date by which this Settlement is finally approved as provided herein and the Court's Final Approval Order becomes binding. For purposes of this Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1) the day after the last day by which a notice of appeal of the Final Approval Order and/or of an order rejecting any motion to intervene may be timely filed, and none is filed; (2) if such an appeal is filed, and the Final Approval Order is affirmed, the day after the last date for filing a request for further review of the decision passes and no further review is requested; (3) if an appeal is filed and further review of the decision affirming the Final Approval Order is requested, the day after the request for review is denied with prejudice and/or no further review of the decision can be requested, or (4) if review is accepted, the day after the United States or California Supreme Court affirms the Settlement. The Effective Date cannot occur, and Defendants will not be obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or further appeal that could potentially prevent this Settlement Agreement from becoming final and binding.

10. Release:

a. **Released Parties:**

The Released Parties include Defendant and its past, present, and future agents, employees, officers, directors, partners, trustees, shareholders, attorneys, parents, subsidiaries, related corporations, divisions, joint venturers, assigns, predecessors, successors, affiliated organizations, and all persons acting by or through or in concert with any of them, and each of them (collectively the "Released Parties").

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b. Class Release:

"Released Claims" with respect to the Participating Class Members (other than Plaintiff) means wage and hour claims, rights, demands, liabilities and causes of action, whether known or unknown, arising during the Class Period, that were asserted or could have been asserted against Defendant based on the facts alleged in Plaintiff's Complaint, under federal and state laws, including statutory, or common law claims for wages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other relief under Business & Professions Code section 17200, et seq. based on the alleged Labor Code violations, including, among others, the following categories: (a) any and all claims involving any alleged failure to pay minimum wage; (b) any and all claims involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims involving any alleged failure to pay overtime wages; (d) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (e) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim that Defendants violated Labor Code sections 201, 202, or 204, and any claim for waiting time penalties under Labor Code section 203; (f) any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq.; and (g) any and all penalties pursuant to the Private Attorneys General Act ("PAGA") of 2004 arising out of any or all of the aforementioned claims. This release excludes the release of claims not permitted by law. Class members who cash, deposit, or otherwise negotiate their settlement checks will "opt in" to a release of overtime wage claims under the Fair Labor Standards Act.

c. Plaintiff's Release

"Released Claims" with respect to Plaintiff only means all claims under any state law, federal law, common law, equity or other theory in any way related to his employment with Defendants against the Released Parties including all claims arising from or related in any way to the claims and allegations asserted in the Action against Defendants, including all claims that could have been stated based upon the claims or allegations asserted in the Action, under federal, state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether anticipated or unanticipated, including without limitation statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other relief under Business & Professions Code section 17200, et

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seq., including, without limitation, the following categories: (a) any and all claims involving any alleged failure to pay minimum wage; (b) any and all claims involving any alleged failure to pay employees for all hours worked, including but not limited to any claim for minimum, straight time, or overtime wages; (c) any and all claims involving any alleged failure to pay overtime wages; (d) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short or interrupted meal and/or rest periods, or to pay such premiums as required by Labor Code section 226.7; (e) any and all claims arising under state law involving any alleged failure to properly provide meal periods and/or authorize and permit rest periods, to pay premiums for missed, late, short or interrupted meal and/or rest periods, or to pay such premiums as required by Labor Code section 226.7; (f) any and all claims involving any alleged failure to keep accurate records or to issue proper wage statements to employees; (g) any and all claims involving any alleged failure to timely pay wages, including but not limited to any claim that Defendants violated Labor Code sections 201, 202, or 204, and any claim for waiting time penalties under Labor Code section 203; (h) any and all claims for unfair business practices in violation of Business and Professions Code sections 17200, et seq.; and (i) any and all penalties pursuant to the Private Attorneys General Act ("PAGA") of 2004 arising out of any or all of the aforementioned claims. The Released Claims include all such claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 450, 510, 511, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1197.2, 1198, 1199, 2800, 2802, and 2698 et seq.); the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200 et seq.; California Civil Code section 3336; the California common law of contract. Plaintiff shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all FLSA claims. Plaintiff shall further execute a release of any and all unknown claims pursuant to the provisions of California Code of Civil Procedure section 1542. This release excludes the release of claims not permitted by law.

11. Plaintiff's Enhancement

- a. Defendant shall not object to a request for an enhancement or participation award in the amount of \$10,000.

12. No Reversion, No Claims Made

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- a. There will be no reversion to Defendant and no claims process for Class Members to receive payment.

13. Non-Disclosure Prior to Filing of Motion for Preliminary

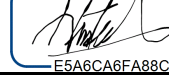
- a. Prior to the filing of Plaintiff's motion for preliminary approval Plaintiff will not disclose the terms of this settlement except to his spouse or domestic partner, attorneys, or tax advisors. And all of the above expressly agree to abide by this clause.

Signatures: The signatures below reflect acceptance of the terms set forth in this MOU.

Date: 2/22/2022

Hector Arzola

DocuSigned by:



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Plaintiff and Class Representative

All Star Glass, Inc.

Date: _____

By: _____

Its: _____

Bokhour Law Group, P.C.

Date: 2/22/2022

DocuSigned by:



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Class Counsel

Melmed Law Group PC

Date: 2/23/22



Class Counsel