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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MERCED**

JOSE LOZANO, individually, and on behalf of
other members of the general public similarly
situated;

Plaintiffs,

v.

PETERSON BROTHERS CONSTRUCTION,
INC., a California corporation; and DOES 1
through 100, inclusive;

Defendants.

CASE NO.: 22CV-00103

Assigned for All Purposes to:
Hon. Brian McCabe
Courtroom 8

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE**

Complaint Filed: January 7, 2022

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement and Release (“Agreement” or “Stipulation of
3 Settlement” or “Settlement”) is made and entered into by and between Plaintiff Jose Lozano (“Plaintiff,”
4 or “Class representative”), individually and on behalf of other aggrieved employees and/or members of
5 the general public similarly situated, on the one hand, and Defendant Peterson Brothers Construction,
6 Inc. (“Defendant”), on the other hand (collectively with Plaintiff, the “Parties”).

7 Subject to approval of the Court pursuant to the California Rules of Court, this Stipulation of
8 Settlement shall be binding on Plaintiff, Class Counsel, the Class, aggrieved employees (including the
9 State of California as their representative), and Defendant, along with the other Released Parties, subject
10 to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On April 10, 2020, Orfanel Fierros and Ramior Fierros filed a Class Action Complaint
13 against Defendant in the Superior Court for the State of California, County of Los Angeles, entitled
14 *Fierros v. Peterson Brothers Construction, Inc.*, Case No. 20STCV14207, for a single cause of action
15 for violation of California Business & Professions Code § 17200, *et seq.*

16 2. On March 26, 2021, Plaintiff provided written notice to the LWDA and Defendant of the
17 specific provisions of the Labor Code he contends were violated, and the theories supporting his
18 contentions. Plaintiff believes that on or about May 30, 2021, the sixty-five (65) day notice period
19 expired and the LWDA did not take any action to investigate or prosecute this matter. Therefore,
20 Plaintiff exhausted the statutory time period to bring this action.

21 3. On January 4, 2022, the Parties, and Orfanel Fierros and Ramior Fierros, participated in
22 mediation before Deborah Saxe (the “Mediator”), a respected mediator of wage and hour class actions.
23 After a full day of negotiations and considering the Mediator’s proposal, the Parties agreed to settle and
24 stipulated to the material terms of this Stipulation of Settlement now before this Court. The Mediator’s
25 supervision of the mediation and negotiations was critical in managing the expectations of the Parties
26 and providing a useful and neutral analysis of the issues and risks to both sides.

27 4. Following the mediation and the above-mentioned discovery, for purposes of settlement,
28

1 the Parties agreed to dismiss Orfanel Fierros and Ramior Fierros' individual case against Defendant
2 with prejudice and their class allegations against Defendant without prejudice as they did not have
3 standing to bring the Labor Code claims.

4 5. On January 7, 2022, Plaintiff filed a Class and Representative PAGA action in the
5 Superior Court of the State of California, County of Merced, entitled *Lozano v. Peterson Brothers*
6 *Construction, Inc.*, Case No. 22CV-00103. The action included class allegations against Defendant for
7 (1) violation of California Labor Code §§ section 510 and 1198 (unpaid overtime); (2) violation of
8 California Labor §§ 226.7 and 512(a) (unpaid meal period premiums); (3) violation of California Labor
9 Code § 226.7 (unpaid rest period premiums); (4) violation of California Labor Code §§ 1194 and 1197
10 (unpaid minimum wages); (5) violation of California Labor Code §§ 201 and 202 (final wages not timely
11 paid); (6) violation of California Labor Code § 226(a) (non-compliant wage statements); (7) violation
12 of California Labor Code § 246 (unpaid sick leave); (8) violation of California Labor Code §§ 2800 and
13 2802; (9) violation of California Labor Code §§ 2698, *et seq.*, (Private Attorneys General Act of 2004);
14 and (10) violation of California Business & Professions Code § 17200, *et seq.*

15 6. Defendant denies all material allegations set forth in this action (and the action previously
16 filed in the Los Angeles County Superior Court) and has asserted numerous affirmative defenses.
17 Notwithstanding, in the interest of avoiding further litigation, Defendant desires to settle all actual or
18 potential claims fully and finally by the Class and aggrieved employees.

19 7. Plaintiff's counsel in the Action, Justice Law Corporation ("Class Counsel"), diligently
20 investigated the proposed Class's claims against Defendant, including all applicable defenses and the
21 applicable law. The investigation included, *inter alia*, the exchange of information pursuant to informal
22 discovery methods, review of numerous corporate policies and practices, and the time and wage data of
23 numerous employees in the putative class.

24 8. The settlement discussions during and after mediation were conducted at arm's-length
25 and this Stipulation of Settlement is the result of an informed and detailed analysis of Defendant's total
26 potential liability exposure in relation to the costs and risks associated with continued litigation.

27 9. Based on the data produced pursuant to informal discovery, as well as Class Counsel's
28

own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class and aggrieved employees considering all known facts and circumstances.

10. This Stipulation of Settlement is made and entered into by and between Plaintiff individually, and on behalf of all other members of the general public similarly situated, aggrieved employees, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Stipulation of Settlement is entered solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Stipulation of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

The following definitions are applicable to this Stipulation of Settlement. Definitions contained elsewhere in this Stipulation of Settlement will also be effective:

11. "Action" means the lawsuit in the matter entitled *Lozano v. Peterson Brothers Construction, Inc.*, Case No. 22CV-00103, filed on January 7, 2022 in the Merced County Superior Court.

12. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of this Action, and all litigation costs and expenses incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs and expenses associated with mediation, documenting the Settlement, securing the Court's approval of the Settlement, obtaining entry of a Judgment terminating this Action, and expenses for any experts. Class Counsel will collectively request attorneys' fees not to exceed Thirty-Five Percent (35%) of the Maximum Settlement Amount, or up to One Million Three Hundred and Two Thousand Dollars (\$1,302,000). Class Counsel will also request reimbursement of Class Counsel's litigation costs and expenses, not to exceed Thirty Thousand Dollars (\$30,000). For any Attorneys' Fees and Costs approved by the Court, the Claims Administrator may purchase an annuity to utilize US treasuries and

bonds or other attorney fee deferral vehicles for Class Counsel. Defendant has agreed not to oppose Class Counsel's request for fees and reimbursement of costs and expenses as set forth above. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement.

13. "Claimants" means all Class Members who submit timely and valid Claim Forms for participation in the Class Action Settlement.

14. "Claim Form" means the document, substantially in the form attached as **Exhibit B**, that Class Members must complete and postmark by the Response Deadline (as defined below) to receive a proportional share of the Net Settlement Amount in the form of an Individual Settlement Payment.

15. "Claims Administrator" means any third-party class action settlement claims administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.

16. "Claims Administration Costs" means the costs payable from the Maximum Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, (a) printing, distributing, and tracking documents for this Settlement; (b) calculating estimated amounts per Class Member; (b) tax reporting; (c) distributing the appropriate settlement amounts; and (d) providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Claims Administration Costs are currently estimated not to exceed Ten Thousand Dollars (\$10,000). Any portion of the Claims Administration Costs that are not awarded to the Claims Administrator will flow through to the Net Settlement Amount.

17. "Class Counsel" means Justice Law Corporation, which will seek to be appointed counsel for the Class.

18. "Class Lists" mean a complete list of all Class Members within the Class that Defendant will diligently and in good faith compile from its records and provide only to the Claims Administrator within twenty (20) business days of the Court's Preliminary Approval of this Stipulation of Settlement.

The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's: (a) full name; (b) most recent mailing address and telephone number known to Defendant; (c) Social Security number; dates of employment as hourly-paid or non-exempt employee in California; and (d) any other relevant information needed to calculate settlement payments.

19. "Class Member(s)" or "Class" collectively refer to: all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from June 4, 2016, to January 4, 2022.

20. "Class Period" means the period from June 4, 2016, to January 4, 2022.

21. "Class Representative" means Jose Lozano, who will seek to be appointed as the representative for the Class.

22. "Class Representative Enhancement Payment" means the amounts to be paid to the Class representative in recognition of their efforts and work in prosecuting the Action on behalf of Class Members. The Parties agree that the Class representative will each be paid up to Ten Thousand Dollars (\$10,000) subject to Court approval, from the Maximum Settlement Amount for their services on behalf of the Class, including their assistance as the Plaintiff and Class representative, subject to the Court granting final approval of this Stipulation of Settlement and subject to the exhaustion of any and all appeals. Any portion of the Class Representative Enhancement Payment not awarded to the Class representative will be a part of the Net Settlement Amount, for distribution in conformity with this Agreement.

23. "Court" means the Superior Court of the State of California for the County of Merced or any other court taking jurisdiction of the Action.

24. "Defendant" means Peterson Brothers Construction, Inc.

25. "Defendant's Counsel" means counsel for Defendant who are:

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26. "Effective Date" means the date on which the settlement embodied in this Stipulation of Settlement shall become effective after all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for the Class and Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii) the notice has been given to the Class Members, providing them with an opportunity to object to the terms of the Stipulation of Settlement or to opt out of the Stipulation of Settlement by filing a Request for Exclusion (as defined below); and (iv) (a) in the event the Court has held a formal fairness hearing and, having heard no objections to the Settlement, entered a final order and judgment certifying the Class, and approving this Stipulation of Settlement or (b) only in the event that there are written objections filed prior to the formal fairness hearing that are not later withdrawn or denied, the later of the following events: five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

27. "Individual Settlement Payment" means each Claimant's share of the Net Settlement Amount.

28. "Maximum Settlement Amount" means the maximum settlement amount of up to Three Million Seven Hundred Twenty Thousand Dollars (\$3,720,000) to be paid by Defendant in full satisfaction of all claims arising from the Action, which includes all Individual Settlement Payments to Claimants, the Class Representative Enhancement Payment, Claims Administration Costs to the Claims Administrator, Attorneys' Fees and Costs to Class Counsel, and the PAGA Payment. This Maximum Settlement Amount has been agreed to by Plaintiff and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Maximum Settlement Amount, except that employer-side payroll taxes shall be paid separate and

1 apart from the Maximum Settlement Amount.

2 29. "Net Settlement Amount" means the portion of the Maximum Settlement Amount
3 remaining after deduction of the approved Class Representative Enhancement Payment, Claims
4 Administration Costs, the PAGA Payment (as defined in Paragraph 33), and Attorneys' Fees and Costs.
5 The Net Settlement Amount will be distributed to Claimants in accordance with Paragraphs 57 and 58.
6 Plaintiff and Defendant agree that the amount distributed to the Claimants will equal at least Fifty
7 Percent (50%) of the Net Settlement Amount. If the total Individual Settlement Payments to the
8 Claimants would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims
9 Administrator will proportionately increase the Individual Settlement Payment for each Claimant to
10 ensure that total Individual Settlement Payments equal Fifty Percent (50%) of the Net Settlement
11 Amount. Except as otherwise provided in Paragraph 57, any unclaimed amounts above Fifty Percent
12 (50%) of the Net Settlement Amount will be the exclusive property of Defendant.

13 30. "Notice of Objection" or "Objection" means a Class Member's valid and timely written
14 objection to this Stipulation of Settlement. For the Notice of Objection to be valid, it must include: (a)
15 the objector's full name, signature, address, and telephone number, (b) a written statement of all grounds
16 for the objection accompanied by any legal support for such objection, (c) a clear reference to the title
17 of this case and case number, and (d) copies of any papers, briefs, or other documents upon which the
18 objection is based.

19 31. "Notice Packet" means the Notice of Class Action Settlement and Claim Form,
20 substantially in the forms attached as **Exhibit A**, and **Exhibit B** respectively.

21 32. "PAGA Aggrieved Employee" means anyone employed by Defendant between March
22 26, 2021, to January 4, 2022.

23 33. "PAGA Payment" means the amount of One Hundred Thousand Dollars (\$100,000),
24 which the Parties have agreed to allocate for penalties pursuant to the Private Attorneys' General Act,
25 California Labor Code § 2698, *et seq.* The Parties have agreed that the PAGA Payment will be paid out
26 of the Maximum Settlement Amount. Pursuant to PAGA, the Labor and Workforce Development
27 Agency ("LWDA") shall be paid Seventy-Five Percent (75%) or Seventy-Five Thousand Dollars
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1 (\$75,000) of the PAGA Payment (“LWDA Payment”), and Twenty-Five Percent (25%) or Twenty-Five
2 Thousand Dollars (\$25,000) of the PAGA Payment will be distributed, pro rata, based on weeks worked
3 to all PAGA Aggrieved Employees.

4 34. “Parties” means Plaintiff and Defendant collectively.

5 35. “Plaintiff” means Jose Lozano.

6 36. “Preliminary Approval” means the Court order granting preliminary approval of this
7 Stipulation of Settlement.

8 37. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
9 Regulations § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.* that is established by the Claims Administrator for
10 the benefit of Claimants, Plaintiff, and Class Counsel.

11 38. “Released Claims” as it pertains to Class Members include, all claims based on the factual
12 or legal theories that were alleged in the operative Complaint to be filed by Plaintiff Lozano and Plaintiff
13 Lozano’s letter to the Labor Workforce & Development Agency (“LWDA”), or reasonably could have
14 been alleged based on the facts, legal theories, Labor Code sections, and primary rights at issue in the
15 Complaint or letters to the LWDA, including the: failure to pay wages, failure to pay overtime; failure to
16 pay minimum wages; failure to provide and record meal periods and provide meal period premium
17 payments; failure to provide rest periods and provide rest period premium payments; failure to provide
18 and maintain compliant wage statements; failure to timely pay wages during employment; failure to timely
19 pay wages upon termination; failure to reimburse necessary business expenses; violations of the unfair
20 competition law, and any other claims or penalties under the wage and hour laws pleaded in the Action
21 (collectively, the “Released Claims.”) The period of the Release shall extend to the limits of the Covered
22 Period. The *res judicata* effect of the Judgment will be the same as that of the Release.

23 39. “Released Claims Period” means the period from June 4, 2016, to January 4, 2022.

24 40. “Released Parties” means Defendant, and its former and present parents, subsidiaries,
25 and affiliates, and their current and former officers, directors, owners, employees, partners, shareholders
26 and agents, and the predecessors and successors, assigns, and legal representatives of all such entities
27 and individuals.

1 41. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
2 request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the Class
3 Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security
4 Number of the Class Member requesting exclusion; (c) clearly state the name of this case, the case
5 number, and that the Class Member does not wish to be included in the Settlement; (d) be returned by
6 mail to the Claims Administrator at the specified address and/or facsimile number; and (e) be
7 postmarked on or before the Response Deadline. The date of the postmark on the return mailing
8 envelope will be the exclusive means to determine whether a Request for Exclusion has been timely
9 submitted. A Class Member who does not request exclusion from the Settlement (“Settlement Class
10 Member”) will be bound by all terms of the Settlement if the Settlement is granted final approval by the
11 Court.

12 42. “Response Deadline” means the deadline by which Class Members must postmark to the
13 Claims Administrator valid Claim Forms, Requests for Exclusion, or file and serve objections to the
14 Settlement. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the
15 Notice Packet by the Claims Administrator, unless the 45th day falls on a Sunday or Federal holiday, in
16 which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is
17 open. The Response Deadline for Claim Forms or Requests for Exclusion will be extended fifteen (15)
18 calendar days for any Class Member who is re-mailed a Notice Packet by the Claims Administrator,
19 unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be
20 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be
21 extended by express agreement between Class Counsel and Defendant. Under no circumstances,
22 however, will the Claims Administrator have the authority to extend the deadline for Class Members to
23 submit a Claim Form, Request for Exclusion, or objection to the Settlement.

24 43. “Workweeks” means the number of weeks of employment that a Class Member worked
25 for Defendant as an hourly, non-exempt employee in California at any time during the Class Period (as
26 defined above). The Claims Administrator will calculate the number of Workweeks by calculating the
27 number of days each Class Member was employed during the Class Period, dividing by seven (7), and
28

1 rounding up or down to the nearest whole number, as appropriate (for example, 7.50 would round to 8;
2 7.49 would round to 7). Each Claimant shall be entitled to payment for at least one workweek.

3 44. "Workweek Value" means the value of each compensable Workweek, as determined by
4 the formula set forth herein.

5 **CLASS CERTIFICATION**

6 45. Solely for purposes of settling the Action, and not for purposes of class certification
7 should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites
8 for establishing class certification with respect to the Class have been met and are met. More
9 specifically, the Parties stipulate and agree that:

10 a. The Class is ascertainable and so numerous as to make it impracticable to join all
11 Class Members;

12 b. There are common questions of law and fact including, but not limited to, the
13 following:

- 14 i. Whether Defendant properly compensated Class Members;
- 15 ii. Whether Defendant failed to provide meal and rest breaks;
- 16 iii. Whether Defendant failed to pay penalties for missed meal and/or rest
17 breaks;
- 18 iv. Whether Defendant failed to provide Class Members compliant wage
19 statements;
- 20 v. Whether Defendant failed to timely pay Class Members their final wages;
- 21 vi. Whether Defendant engaged in unfair business practices affecting the Class;
22 and
- 23 vii. Whether the Class representative and the Class he purport to represent are
24 entitled to injunctive and/or declaratory relief.

25 46. Should this Settlement not be approved or be terminated, these stipulations shall be null
26 and void and shall not be admissible for any purpose whatsoever.

27 47. The Class Representative's claims are typical of the claims of the members of the Class.

Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

48. The Class representative and Class Counsel will fairly and adequately protect the interests of the Class. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

49. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

50. With respect to the Class, the Class representative believe that questions of law and fact common to the members of the Class predominate over any questions affecting any individual member in such Class, and a class action is superior to other available means for the fair and efficient adjudication of the controversy. Should this Settlement not be approved or be terminated, this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

TERMS OF AGREEMENT

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

51. Funding of the Maximum Settlement Amount. Within three (3) business days after the Final Approval of the Settlement, the Claims Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement. Defendant will deposit all Court-approved costs, fees and payments, and claim amounts from the Maximum Settlement Amount into a Qualified Settlement Fund account to be established by the Claims Administrator within fifteen (15) business days of the Effective Date.

52. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than Thirty-Five Percent (35%) of the Maximum Settlement Amount or up to One Million Three Hundred and Two Thousand Dollars (\$1,302,000), plus the reimbursement of costs and expenses associated with Class Counsel's litigation

1 and settlement of the Action, not to exceed Thirty Thousand Dollars (\$30,000), both of which will be
2 paid from the Maximum Settlement Amount. Any Attorneys' Fees and Costs awarded by the Court
3 shall not constitute payment to any Class Member(s). To the extent that the Court approves less than
4 the amount of attorney's fees and/or costs that Class Counsel requests, the difference between the
5 requested and awarded amounts will be reallocated to the Net Settlement Amount. Except for the
6 Attorneys' Fees and Costs set forth in this Agreement, the Parties agree to bear their own attorneys' fees
7 and costs related to this Action. In consideration of their awarded Attorneys' Fees and Costs, Class
8 Counsel waives all claims to any further attorneys' fees and expenses in connection with the Settlement.

9 53. Class Representative Enhancement Payment. In recognition of Plaintiff's effort and
10 work in prosecuting the Action on behalf of Class Members, and in exchange for a full release of all
11 known and unknown claims, Defendant agrees not to oppose or impede any application or motion for
12 Class Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000) to Plaintiff. The
13 Class Representative Enhancement Payment will be paid from the Maximum Settlement Amount and
14 shall not constitute payment to any Claimant(s) (other than Plaintiff). To the extent that the Court
15 approves less than the amount of the Class Representative Enhancement Payment that Class Counsel
16 requests, the difference between the requested and awarded amounts will be reallocated to the Net
17 Settlement Amount. Because it is the intent of the Parties that the Class Representative Enhancement
18 Payment represent payment to Plaintiff for his services to the Class Members, and not wages, the
19 Settlement Administrator will not withhold any taxes from the Class Representative Enhancement
20 Payment. The Claims Administrator will issue an IRS Form 1099 for the Class Representative
21 Enhancement Payment to Plaintiff, and he shall be solely and legally responsible for correctly
22 characterizing this compensation for tax purposes and for paying any taxes on the amounts received.

23 General Release by Class representative. As a condition of the class action settlement,
24 Plaintiff, as the Class representative, shall separately release the Released Parties from the
25 following: any and all claims, obligations, demands, actions, rights, causes of action, and
26 liabilities against the Releasees, of whatever kind and nature, character, and description,
27 whether in law or equity, whether sounding in tort, contract, federal, state and/or local law,
28

statute, ordinance, regulation, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all unknown claims covered by California Civil Code § 1542, by the Class representative, arising at any time up to and including the date on which the Court enters the Order of Final Approval, for any type of relief, including without limitation claims for wages, premium and other forms of pay, unpaid/unreimbursed costs, penalties (including waiting time penalties and wage statement penalties), general damages, compensatory damages, liquidated damages, punitive damages, interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief. The Class representative's Released Claims include, but are not limited to, the Released Claims as well as any other claims under any provision of the Fair Labor Standards Act ("FLSA"), the California Labor Code, any applicable California Industrial Welfare Commission Wage Orders, any city or county Living Wage Ordinances, and claims under state or federal discrimination statutes, including, without limitation, the California Government Code, the Unruh Civil Rights Act, California Civil Code, the California Constitution, the California Business and Professions Code, including but not limited to §§ 17200 *et seq.*, the United States Constitution, the Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefit Protection Act, the Uniformed Services Employment and Reemployment Rights Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*, the Family and Medical Leave Act, to the extent not prohibited by law, the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*, and the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*, and all of their implementing regulations and interpretive guidelines. As a condition to this settlement, the Class representative will provide or have provided a full and general release of all known and unknown claims, including but not limited to, all claims alleged or that could have been alleged in the Action.

54. Claims Administration Costs. The Claims Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement

Amount, which is currently estimated not to exceed Ten Thousand Dollars (\$10,000). These costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet, sending reminder notices, calculating shares and payment, distributing the Maximum Settlement Amount in accordance with the Settlement and the Court's order, and providing necessary reports and declarations. Any portion of the Claims Administration Costs that are not awarded to the Claims Administrator will be reallocated to the Net Settlement Amount.

55. Acknowledgement of Potential Administration Cost Increases. The Parties acknowledge that Claims Administration Costs may increase above the current estimate of \$10,000 and that any such additional Claims Administration Costs will be taken out of the Maximum Settlement Amount. Any portion of the estimated or designated Claims Administration Costs which are not in fact required to fulfill the total Claims Administration Costs will flow through to the Net Settlement Amount.

56. PAGA Payment. Subject to Court approval, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000) from the Maximum Settlement Amount will be designated for satisfaction of the PAGA Aggrieved Employees' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or \$75,000, of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or \$25,000, will be distributed, pro rata, based on weeks worked to all PAGA Aggrieved Employees. The Claims Administrator will calculate the total number of Workweeks worked by each individual PAGA Aggrieved Employee to determine the total number of Workweeks worked by all PAGA Aggrieved Employees ("Total PAGA Workweeks") between March 26, 2021 and January 4, 2022. Defendant shall provide the Claims Administrator such information as is necessary to calculate the individual PAGA Aggrieved Employee's Workweeks and Total PAGA Workweeks. To determine each PAGA Aggrieved Employee's estimated PAGA Payment, the Claims Administrator will use the following formula: Estimated individual PAGA Payment = (\$25,000 ÷ Total PAGA Workweeks) x individual Workweeks for each individual PAGA Aggrieved Employee.

57. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Claimants in accordance with the terms of this Agreement. If the total claimed

Individual Settlement Payments would equal less than Fifty Percent (50%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant so that the amount actually distributed to Claimants will equal at least Fifty Percent (50%) of the Net Settlement Amount. Any unclaimed amounts above Fifty Percent (50%) of the Net Settlement Amount will be the exclusive property of Defendant.

58. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

58(a) The Claims Administrator will calculate the total number of Workweeks worked by each individual Class Member (“Individual Workweeks”) to determine the total number of Workweeks worked by all Class Members (“Class Workweeks”) during the Class Period. Defendant shall provide the Claims Administrator such information as is necessary to calculate the Individual Workweeks and Class Workweeks.

58(b) To determine each Class Member’s estimated Individual Settlement Payment, the Claims Administrator will use the following formula: Estimated Individual Settlement Payment = (Net Settlement Amount ÷ Class Workweeks) x Individual Workweeks for each individual Class Member.

58(c) If the total Individual Settlement Payments actually claimed by Claimants equals less than Fifty Percent (50%) of the Net Settlement Amount, the Individual Settlement Payments will proportionately increase for each Claimant submitting a Claim Form such that the total Individual Settlement Payments equal not less than Fifty Percent (50%) of the Net Settlement Amount.

58(d) The Individual Settlement Payment will be reduced by any required deductions for each Claimant as set forth herein, including employee-side tax and withholdings with respect to the wage portion of each Individual Settlement

1 Payment.

2 59. Individual Settlement Payments Do Not Trigger Additional Benefits. All Individual
3 Settlement Payments to Class Members shall be deemed to be paid to such Class Members solely in the
4 year in which such payments actually are received by the Class Members. It is expressly understood
5 and agreed that the receipt of such Individual Settlement Payments will not entitle any Class Member
6 to additional compensation or benefits under any company bonus, contest or other compensation or
7 benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any
8 Class Member to any increased retirement, 401K benefits or matching benefits, or deferred
9 compensation benefits. It is the intent of this Settlement that the Individual Settlement Payments
10 provided for in this Settlement are the sole payments to be made by Defendant to the Class Members,
11 and that the Class Members are not entitled to any new or additional compensation or benefits as a result
12 of having received the Individual Settlement Payments (notwithstanding any contrary language or
13 agreement in any benefit or compensation plan document that might have been in effect during the
14 period covered by this Settlement).

15 60. Claims Administration Process. The Parties agree to cooperate in the administration of
16 the Settlement and to make all reasonable efforts to control and minimize the costs and expenses
17 incurred in administration of the Settlement.

18 61. Delivery of the Class List. Within twenty (20) business days of Preliminary Approval,
19 Defendant will provide the Class List(s) to the Claims Administrator.

20 62. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days of receipt of the Class
21 List(s), the Claims Administrator will perform a search based on the National Change of Address
22 Database ("NCOA"), or any other similar services available, and mail a Notice Packet to all Class
23 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses available.

24 63. Confirmation of Contact Information in the Class List. Prior to mailing, the Claims
25 Administrator will perform a NCOA check, such as provided by Experian or any other similar services
26 available, for information to update and correct for any known or identifiable address changes. Any
27 Notice Packets returned to the Claims Administrator as non-deliverable on or before the Response
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1 Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
2 thereto and the Claims Administrator will indicate the date of such re-mailing on the Notice Packet. If
3 no forwarding address is provided, the Claims Administrator will promptly attempt to determine the
4 correct address using a skip-trace and will then perform a single re-mailing within five (5) days after
5 return of the Notice Packet. Those Class Members who receive a re-mailed Notice Packet, whether by
6 skip-trace or by request, will have between the later of (a) an additional fifteen (15) days or (b) the
7 Response Deadline to postmark a Claim Form, Request for Exclusion, or file and serve an objection to
8 the Settlement.

9 64. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
10 will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's
11 principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class
12 Member worked for Defendant during the Class Period; (e) each Class Member's estimated Individual
13 Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which
14 comprise the Class Period; (g) instructions on how to submit valid Claim Forms, disputes regarding
15 Workweeks, Requests for Exclusion, or objections; (h) the requirements relating to, and deadlines by
16 which the Class Member must submit Claim Forms, disputes regarding Workweeks, Requests for
17 Exclusions, and objections to the Settlement; (i) the claims to be released, as set forth herein; and (j) the
18 date for the Final Approval Hearing.

19 65. Disputed Information on Notice Packets. Class Members may dispute the information
20 provided in their Notice Packets, but must do so in writing, via first class mail, and it must be postmarked
21 by the Response Deadline. To the extent Class Members dispute the number of Workweeks to which
22 they have been credited or the amount of their Individual Settlement Payment, Class Members must
23 produce evidence to the Claims Administrator showing that such information is inaccurate. Absent
24 evidence rebutting Defendant's records, Defendant's records will be presumed determinative.
25 However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence
26 submitted by the Class Member and will make the final decision as to the number of eligible Workweeks
27 that should be applied and/or the Individual Settlement Payment to which the Class Member may be
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entitled. If the Parties are unable to resolve the dispute, the Claims Administrator will be the final arbiter of the Workweeks for each Class Member during the Class Period, based on the information provided to it.

66. Claim Form Procedures. To receive Individual Settlement Payments, all Class Members will be required to submit a timely and valid Claim Form by the Response Deadline. All Claim Forms must be signed and returned to the Claims Administrator via first class mail or fax and postmarked or faxed by the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Claim Form has been timely submitted. However, it is not the intention of the Parties to exclude Class Members from obtaining payment in the Settlement for technical reasons that do not interfere with the orderly administration of the Settlement. Therefore, the Claims Administrator will compile a list of Claim Forms rejected for (1) failure to cure an unsigned Claim Form or (2) late submission of the Claim Form. As to the Class Members on that rejected claims list, any Class Member who requests, in a signed letter, to receive payment in the Settlement will be treated like a Claimant so long as that written request is received by the Effective Date.

67. Defective Submissions. If a Class Member's Claim Form or Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Claims Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Claim Form or Request for Exclusion valid. The Class Member will have ten (10) calendar days from the date of the cure letter to postmark a revised Claim Form or Request for Exclusion. If a Class Member responds to a Cure Letter by filing a defective claim, then the Claims Administrator will have no further obligation to give notice of a need to cure. If the revised Claim Form is not postmarked or received within that period, it will be deemed untimely.

68. Request for Exclusion Procedures. Any Class Member wishing to opt-out from this Stipulation of Settlement must sign and postmark a written Request for Exclusion to the Claims Administrator within the Response Deadline. The date of the postmark on the return mailing envelope

1 will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.
2 All Requests for Exclusion will be submitted to the Claims Administrator, who will certify jointly to
3 Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. PAGA
4 Aggrieved Employees will not be able to exclude themselves from the PAGA portion of the settlement.

5 69. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
6 who does not affirmatively opt-out of this Stipulation of Settlement by submitting a timely and valid
7 Request for Exclusion ("Settlement Class Member") will be bound by all of its terms, including those
8 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants
9 final approval to the Settlement.

10 70. Objection Procedures. To object to this Stipulation of Settlement, a Class Member must
11 file a valid Notice of Objection with the Court and serve copies of the Notice of Objection on the Parties
12 before the Response Deadline. The Notice of Objection must be signed by the Class Member and
13 contain all information required by this Stipulation of Settlement. The postmark date of the filing and
14 service will be deemed the exclusive means for determining that the Notice of Objection is timely. Class
15 Members who fail to object in the specific and technical manner specified above will be deemed to have
16 waived all objections to the Settlement and will be foreclosed from making any objections and seeking
17 any adjudication or review, whether by appeal or otherwise, to this Stipulation of Settlement. At no
18 time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to
19 submit written objections to this Stipulation of Settlement or appeal from the Order and Judgment.
20 However, Class Counsel, Defense Counsel, and Defendant may respond to inquiries from Class
21 Members with truthful information. Class Counsel will not represent any Class Members with respect
22 to any such objections to this Settlement.

23 71. Reminders. Not earlier than twenty (20) days or later than thirty (30) days after the initial
24 mailing, the Claims Administrator will send a Reminder Postcard to all Class Members who have not
25 returned a Claim Form or a Request for Exclusion. All Reminder Postcards will include the Response
26 Deadline, and the contact information for Class Counsel and the Claims Administrator.

27 72. Certification Reports Regarding Individual Settlement Payment Calculations. The
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1 Claims Administrator will provide Defendant's counsel and Class Counsel a weekly report which
2 certifies: (a) the number of Class Members who have submitted Claim Forms; (b) the number of
3 Claimants; (c) the number of Class Members who have submitted valid Requests for Exclusion; (d) the
4 then current amount and percentage of the Net Settlement Amount claimed by Claimants; and (e)
5 whether any Class Member has submitted a challenge to any information contained in their Claim Form
6 or Notice Packet. Additionally, the Claims Administrator will provide to counsel for both Parties any
7 updated reports regarding the administration of this Stipulation of Settlement as needed or requested.

8 73. Payment Schedule for All Court-Approved and Individual Settlement Payment Amounts.
9 Within three (3) business days of the Court granting final approval, the Claims Administrator will
10 calculate all payments due. Individual Settlement Payments shall be mailed by regular First Class U.S.
11 Mail to the respective Claimant's last known mailing address within fourteen (14) calendar days after
12 Defendant deposits all Court-approved and claim amounts from the Maximum Settlement Amount into
13 a QSF.

14 74. Unclaimed Funds from the Net Settlement Amount. After all Individual Settlement
15 Payments have been made, any remaining or unclaimed funds from the Net Settlement Amount above
16 Fifty Percent (50%) shall remain the property of and be refunded to the Defendant.

17 75. Payroll Taxes. Any and all applicable employer-side payroll taxes relating to the portion
18 of the Individual Settlement Payments paid as wages shall be paid separate and apart from the Maximum
19 Settlement Amount.

20 76. Uncashed Settlement Checks. Any checks issued by the Claims Administrator to
21 Claimants will be negotiable for at least One Hundred Twenty (120) calendar days. Those funds
22 represented by settlement checks returned as undeliverable and those settlement checks remaining un-
23 cashed for more than One Hundred Twenty (120) calendar days after issuance will be sent to California
24 State Controller.

25 77. Certification of Completion. Five (5) calendar days after the Response Deadline, the
26 Claims Administrator will provide a written declaration under oath to certify such completion to the
27 Court and counsel for all Parties. The declaration will include any attempts to obtain valid mailing
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addresses for and re-sending of any returned Notice Packets, as well as the number of valid and timely exclusions and objections that the Claims Administrator received.

78. Administration Costs if Settlement Fails or is Delayed. If the Settlement is voided or rescinded, for any reason other than set forth in Paragraph 88, any costs incurred by the Claims Administrator will be paid equally by the Parties (half by Defendant and half by Class Counsel), unless otherwise specified in this Agreement.

79. Treatment of Individual Settlement Payments. For purposes of this Stipulation of Settlement, all Individual Settlement Payments will be allocated as follows: Twenty Percent (20%) of each Individual Settlement Payment will be allocated as wages and Eighty Percent (80%) will be allocated as interest and penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

80. Administration of Taxes by the Claims Administrator. The Claims Administrator will be responsible for issuing to Plaintiff, Claimants, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement. The Claims Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

81. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder; and Plaintiff and Claimants are not relying on any statement, representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiff and Claimants understand and agree that except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages.

82. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES

1 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
2 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, ANY “OTHER PARTY”)
3 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
4 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
5 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY
6 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
7 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
8 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
9 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN,
10 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
11 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
12 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
13 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
14 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
15 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
16 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
17 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH
18 ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
19 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
20 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
21 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

22 83. No Assignments. The Parties and their counsel represent, covenant, and warrant that
23 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
24 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
25 or right herein released and discharged. Further, none of the rights, commitments, or obligations
26 recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or
27 Defense Counsel without the express written consent of each other Party and their respective counsel.

1 The representations, warranties, covenants, and agreements contained in this Agreement are for the sole
2 benefit of the Parties under this Agreement and shall not be construed to confer any right or to avail any
3 remedy to any other person.

4 84. Release of Claims by Class Members. Upon the Effective Date, Plaintiff and all Class
5 Members who have not submitted valid and timely Requests for Exclusion, will be deemed to have
6 fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to
7 all of the Released Parties any and all Released Claims for any period during the Released Claims
8 Period.

9 85. Waiver of California Civil Code § 1542. Furthermore, pursuant to the terms of the
10 Settlement, and solely with respect to the Released Claims, Plaintiff expressly waive and relinquish any
11 rights or benefits available to them under the provisions of § 1542 of the California Civil Code, which
12 provides as follows:

13 “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
14 RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
15 THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD
16 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR
17 RELEASED PARTY.”

18 86. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
19 Stipulation of Settlement to the Court in support of Plaintiff’ Motion for Preliminary Approval and
20 determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution
21 of this Stipulation of Settlement, the Parties shall apply to the Court for the entry of an order scheduling
22 a fairness hearing on the question of whether the proposed settlement, including payment of Attorneys’
23 Fees and Costs, and Plaintiff’s Class Representative Enhancement Payment and Class Representative
24 Settlement Payment, should be finally approved as a fair, reasonable, and adequate settlement. As part
25 of Plaintiff’s Motion for Preliminary Approval, Plaintiff shall also apply to the Court for the entry of an
26 order as follows:

- 27 a. Certifying the Class for the purpose of settlement;

- b. Approving, as to form and content, the proposed Notice of Class Action Settlement;
- c. Approving as to form and content the proposed Claim Form;
- d. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice of Class Action Settlement;
- e. Directing the mailing of the Notice of Class Action Settlement, Claim Form, and Reminder Postcards to the Class Members, in accordance with the Settlement Agreement;
- f. Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court; and
- g. Enjoining Plaintiff and any Class Member from filing or prosecuting any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement and the LWDA) regarding the Released Claims unless and until such Class Members have filed valid Requests for Exclusion with the Claims Administrator.

87. Duties of the Parties Following Final Court Approval. Following final approval by the Court of the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a proposed final order of approval and judgment as follows:

- a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- b. Approving Class Counsel's application for an award of Attorneys' Fees and Costs;
- c. Approving the Class Representative Enhancement Payment to Plaintiff;
- d. Setting a date when the Parties shall report to the Court the total amount that was actually paid to the Class Members; and
- e. Entering judgment in this Action consistent with this Agreement.

88. Defendant's Option to Terminate the Settlement. If ten percent (10%) or more of the Class Members opt out of the Settlement by filing Requests for Exclusion, Defendant may, at its

election, rescind the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right of rescission, in writing, to Class Counsel within ten (10) calendar days after the Claims Administrator notifies the Parties of the total number of opt-outs received by the Response Deadline. If the option to rescind is exercised, Defendant shall be solely responsible for all costs of the Claims Administrator accrued to that point.

89. Nullification of Stipulation of Settlement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Stipulation of Settlement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of Settlement will likewise be treated as void from the beginning.

90. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of this Stipulation of Settlement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Stipulation of Settlement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Stipulation of Settlement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet; i.e., the proposed Notice of Class Action Settlement documents, and the proposed Claim Form, attached as **Exhibit A** and **Exhibit B** respectively. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval. Defendant agrees not to oppose the Motion for Preliminary Approval.

91. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Claim Forms, Requests for Exclusion, or objections to this Stipulation of Settlement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of this Stipulation of Settlement along with the amounts properly payable for (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class Representative Enhancement Payment; and (d) all Claims Administration Costs, as well as

confirming the total amount to be allocated towards the PAGA Payment. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application to be heard at the final approval hearing and shall submit to the Court a Proposed Final Approval Order. Defendant agrees not to oppose the Motion for Final Approval and Attorneys' Fee and Costs.

92. Either Party's Option to Terminate the Settlement. Subject to the obligation(s) of mutual full cooperation, either Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order, the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or this Stipulation of Settlement as agreed does not become final because of appellate court action. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Stipulation of Settlement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;
- b. In the event the Settlement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member or attorney, except that the Terminating Party shall pay the Claims Administrator for services rendered up to the date the Claims Administrator is notified that the Settlement has been terminated;
- c. The Preliminary Approval Order, Final Approval Order and Judgment, including any order of class certification, shall be vacated;
- d. The Stipulation of Settlement and all negotiations, privileged statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to this Stipulation of Settlement; and
- e. Neither this Stipulation of Settlement, nor any ancillary documents, actions, statements, or filings in furtherance of this Stipulation of Settlement (including all

1 matters associated with the mediation) shall be admissible or offered into evidence
2 in the Action or any other action for any purpose whatsoever.

3 93. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
4 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
5 Any Exhibits to this Agreement are an integral part of this Stipulation of Settlement.

6 94. Confidentiality. The Parties and their counsel agree that they will not issue any press
7 releases, initiate any contact with the press, respond to any press inquiry, or have any communication
8 with the press about the fact, amount, or terms of the Settlement prior to the Settlement being
9 preliminarily approved by the Court. In addition, the Parties and their counsel agree that they will not
10 engage in any advertising or distribute any marketing materials relating to the Settlement of this case
11 prior to the Settlement being preliminarily approved by the Court, including but not limited to any
12 postings on any websites maintained by Class Counsel. Any communication about the Settlement to
13 Class Members prior to the Settlement being preliminarily approved by the Court will be limited to a
14 statement that a settlement has been reached and the details will be communicated in a forthcoming
15 Court-approved notice. Nothing set forth herein, however, shall prohibit (a) Defendant from providing
16 truthful disclosure about the Settlement, including its amount, in its periodic filings on Form 10-Q or
17 Form 10-K with the United States Securities and Exchange Commission, or (b) the Parties from
18 providing this Agreement to the Court in connection with the Parties' efforts to seek the Court's
19 approval of this Settlement. Neither Plaintiff nor Class Counsel shall hold a press conference or
20 otherwise seek to affirmatively contact the media about the Settlement. If contacted by the media
21 regarding the Settlement, Class Counsel will direct any media inquiries to the public records of the
22 Action on file with the Court. Additionally, neither Plaintiff nor Class Counsel will disparage the
23 Settlement.

24 95. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute
25 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
26 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
27 Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement
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1 is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence,
2 and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or
3 contradict the terms of this Agreement.

4 96. Amendment or Modification. This Stipulation of Settlement may be amended or
5 modified only by a written instrument signed by the named Parties and counsel for all Parties or their
6 successors-in-interest.

7 97. Authorization to Enter Into Stipulation of Settlement. Counsel for all Parties warrant and
8 represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation
9 of Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant
10 to this Stipulation of Settlement to effectuate its terms and to execute any other documents required to
11 effectuate the terms of this Stipulation of Settlement. The Parties and their counsel will cooperate with
12 each other and use their best efforts to effect the implementation of the Settlement. If the Parties are
13 unable to reach agreement on the form or content of any document needed to implement the Settlement,
14 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
15 the Parties may seek the assistance of the Court to resolve such disagreement.

16 98. Signatories. It is agreed that because the members of the Class are so numerous, it is
17 impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The
18 Notice of Class Action Settlement, attached hereto as Exhibit A, will advise all Class Members of the
19 binding nature of the release, and the release shall have the same force and effect as if this Stipulation
20 of Settlement were executed by each Settlement Class Member.

21 99. Binding on Successors and Assigns. This Stipulation of Settlement will be binding upon,
22 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

23 100. California Law Governs. All terms of this Stipulation of Settlement and Exhibits hereto
24 will be governed by, construed, and interpreted according to the laws of the State of California,
25 irrespective of the State of California's choice of law principles.

26 101. Execution and Counterparts. This Stipulation of Settlement is subject only to the
27 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All
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1 executed counterparts and each of them, including facsimile and scanned copies of the signature page,
2 will be deemed to be one and the same instrument.

3 102. Acknowledgement that the Settlement is Fair, Reasonable, and Adequate. The Parties
4 believe this Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and
5 have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation,
6 taking into account all relevant factors, present and potential. The Parties further acknowledge that they
7 are each represented by competent counsel and that they have had an opportunity to consult with their
8 counsel regarding the fairness and reasonableness of this Agreement. In addition, the Mediator may
9 execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court
10 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement
11 is objectively fair and reasonable.

12 103. Invalidity of Any Provision. Before declaring any provision of this Stipulation of
13 Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
14 possible consistent with applicable precedents so as to define all provisions of this Stipulation of
15 Settlement valid and enforceable.

16 104. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this
17 Stipulation of Settlement and, by signing this Stipulation of Settlement, are hereby bound by the terms
18 herein. For good and valuable consideration, Plaintiff further agrees that he will not request to be
19 excluded from this Stipulation of Settlement. Any such Request for Exclusion by Plaintiff will be void
20 and of no force or effect. Plaintiff by virtue of executing this Agreements shall be deemed to have
21 submitted his claim for payment.

22 105. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute
23 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. By
24 entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any
25 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
26 or any other applicable laws, regulations, or legal requirements; breached any contract; violated or
27 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
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1 conduct with respect to its employees or the Class Members. Neither this Agreement, nor any of its
2 terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or
3 concession by Defendant of any such violations or failures to comply with any applicable law. Except
4 as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and
5 provisions shall not be offered or received as evidence in any action or proceeding to establish any
6 liability or admission on the part of Defendant or to establish the existence of any condition constituting
7 a violation of, or a non-compliance with, federal, state, local or other applicable law.

8 106. Captions. The captions and section numbers in this Agreement are inserted for the
9 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
10 provisions of this Agreement.

11 107. Waiver. No waiver of any condition or covenant contained in this Agreement or failure
12 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a
13 further waiver by such party of the same or any other condition, covenant, right or remedy.

14 108. Meet and Confer Regarding Disputes. Should any dispute arise among the Parties or their
15 respective counsel regarding the implementation or interpretation of this Agreement, a representative of
16 Class Counsel and a representative of Defense Counsel shall meet and confer to resolve such disputes
17 prior to submitting such disputes to the Court.

18 109. Enforcement Actions. If one or more of the Parties institutes any legal action or other
19 proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare
20 rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover
21 from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
22 fees incurred in connection with any enforcement actions. To the extent consistent with class action
23 procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil
24 Procedure section 664.6 and California Rule of Court 3.769(h). The Disposition entered by the Court
25 will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations
26 of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its
27 enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all

Parties and Class Members to the fullest extent to enforce and effectuate the terms and intent of this Agreement

110. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

111. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on this Stipulation of Settlement.

112. All Terms Subject to Final Court Approval. All amounts and procedures described in this Stipulation of Settlement herein will be subject to final Court approval.

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

To Plaintiff and the Class:

Douglas Han, Esq.
Shunt Tatavos-Garajeh, Esq.
Phillip Song, Esq.
Chancellor D. Nobles, Esq.
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103

To Defendant PETERSON BROTHERS CONSTRUCTION, INC.:

Marc S. Hines (SBN 140065)
Nicole M. Hampton (SBN 189024)
HINES HAMPTON PELANDA LLP
30 Executive Park, Suite 210
Irvine, California 92614

114. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Stipulation of Settlement.

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

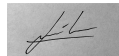
116. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the date(s) set forth below:

NAMED PLAINTIFF AND CLASS COUNSEL

READ CAREFULLY BEFORE SIGNING

DATED: 02/15/2022



JOSE LOZANO
Named Plaintiff

DEFENDANT PETERSON BROTHERS
CONSTRUCTION, INC.

DATED: _____

By: _____

114. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Stipulation of Settlement.

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

116. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the date(s) set forth below:

NAMED PLAINTIFF AND CLASS COUNSEL

READ CAREFULLY BEFORE SIGNING

DATED: _____

JOSE LOZANO
Named Plaintiff

DEFENDANT PETERSON BROTHERS
CONSTRUCTION, INC.

DATED: 3-1-2022

By: _____



APPROVED AS TO FORM

JUSTICE LAW CORPORATION

DATED: 2/15/22

By: 

DOUGLAS HAN

SHUNT TATAVOS-GARAJEH

PHILLIP SONG

Attorneys for Plaintiff Jose Lozano and the Class

HINES HAMPTON PELANDA LLP

DATED: _____

By: _____

Marc S. Hines

Nicole M. Hampton

Attorneys for Defendant Peterson Brothers Construction,
Inc.

APPROVED AS TO FORM

JUSTICE LAW CORPORATION

DATED: _____

By: _____

DOUGLAS HAN
SHUNT TATAVOS-GARAJEH
PHILLIP SONG
Attorneys for Plaintiff Jose Lozano and the Class

HINES HAMPTON PELANDA LLP

DATED: 03/04/22

By: Nicole Hampton

Marc S. Hines
Nicole M. Hampton
Attorneys for Defendant Peterson Brothers Construction,
Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Jose Lozano v. Peterson Brothers Construction, Inc.
Merced County Superior Court Case No. 22CV-00103
(Complaint Filed January 7, 2022)

You are not being sued. This notice affects your rights. Please read it carefully

To: All current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from June 4, 2016, to January 4, 2022 (“Class,” “Class Member(s)”)

You are receiving this Notice of Class Action Settlement because you have been identified as a person who worked or currently works as an hourly-paid or non-exempt employee of Peterson Brothers Construction, Inc. (“Defendant”) within the State of California at any time during the period from June 4, 2016, to January 4, 2022 (“Class Period”).

On _____, 2022, the Honorable Brian McCabe of the Superior Court of the State of California for the County of Merced granted preliminary approval of this Class Action Settlement and ordered the litigants to notify all Class Members of the settlement. You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

The amount of your estimated payment is listed on the enclosed Claim Form

To participate in the settlement and to receive your payment, you must mail a Claim Form to the Claims Administrator by not later than _____, 2022. If you fail to postmark or fax a Claim Form by _____, 2022, you will not receive a payment from the settlement, but you will be bound by its terms. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held on _____, 2022 in Department 8 of the Merced County Superior Court located at 627 West 21st Street, Merced, California 95340. You are not required to attend the Hearing, but you are welcome to do so.

Summary of the Litigation

On January 7, 2022, Plaintiff Jose Lozano (“Plaintiff”) filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Merced against Defendant Peterson Brothers Construction, Inc. (“Defendant”). Plaintiff’s lawsuit asserted violation of: (1) California Labor Code sections section 510 and 1198 (unpaid overtime); (2) violation of California Labor sections 226.7 and 512(a) (unpaid meal period premiums); (3) violation of California Labor Code section 226.7 (unpaid rest period premiums); (4) violation of California Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) violation of California Labor Code sections 201 and 202 (final wages not timely paid); (6) violation of California Labor Code section 226(a) (non-compliant wage statements); (7) violation of California Labor Code § 246 (unpaid sick leave) (8) violation of California Labor Code sections 2800 and 2802; (9) violation of California Labor Code sections 2698, *et seq.*, (Private Attorneys General Act of 2004); and (10) violation of California Business & Professions Code sections. 17200, *et seq.* The Parties were able to reach settlement utilizing the services of the mediator Deborah Saxe.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the Class, Justice Law Corporation (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believes that the claims alleged in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believes the proposed settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Defendant has denied and continues to deny the factual and legal allegations in Plaintiff's case and believes that the claims have no merit. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Instead, Defendant has agreed to settle the case solely for economic efficiency.

Summary of Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class and PAGA claims in exchange for the Maximum Settlement Amount of up to \$3,720,000. This amount is inclusive of: (1) Individual Settlement Payments to all Class Members who submit timely and valid Claim Forms for participation in the Class Action Settlement ("Claimants"); (2) Class Representative Enhancement Payment in the amount of \$10,000 to Plaintiff; (3) Claims Administration Costs currently estimated at \$10,000; (4) \$1,302,000 in attorneys' fees and up to \$30,000 in litigation costs and expenses to Class Counsel; (5) \$100,000 in PAGA Payment (civil penalties) to be divided seventy-five percent (75%) to the California Labor and Workforce Development Agency ("LWDA") and twenty-five percent (25%) to PAGA Aggrieved Employees.

After deducting the Class Representative Enhancement Payments, Claims Administration Costs, the PAGA Payment, and Attorneys' Fees and Costs, a total of approximately \$2,278,000 will be available to Claimants ("Net Settlement Amount").

The Class Administrator will make settlement payments to each Claimant. All Claim Forms must be signed and completed in their entirety to be considered valid. The amount of settlement payment each Class Member receives will be based on the number of Workweeks each Class Member worked during the relevant Class Period. "Workweeks" means the number of weeks of employment worked for Defendant as an hourly, non-exempt employee in California at any time during the Class Period.

If the total Individual Settlement Payments to the Claimants would equal less than fifty percent (50%) of the Net Settlement Amount, the Claims Administrator will proportionately increase the Individual Settlement Payment for each Claimant to ensure that total Individual Settlement Payments equal fifty percent (50%) of the Net Settlement Amount.

IRS Forms W-2 and 1099 will be distributed to Claimants and the appropriate taxing authorities reflecting the payments they receive under the settlement. Claimants should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, twenty percent (20%) of each Class Member's Individual Settlement Payment will be treated as wages and eighty percent (80%) as penalties and interest.

PAGA Aggrieved Employees and PAGA Payment

Under the terms of the Settlement, \$100,000 has been set aside as a PAGA Payment. This portion is the total amount of civil penalties collected on behalf of the State of California. \$75,000 will be sent to the LWDA. The PAGA Aggrieved Employees will share \$25,000 that will be based on the number weeks they worked during the period from March 26, 2021 to January 4, 2022.

You are a "PAGA Aggrieved Employee" eligible to share the PAGA Payment under the settlement if you are a current or former hourly-paid or non-exempt employee of Defendant within the State of California at any time during the period from March 26, 2021, to January 4, 2022 ("PAGA Period").

The Claims Administrator will calculate the total number of Workweeks worked by each individual PAGA Aggrieved Employee to determine the total number of Workweeks worked by all PAGA Aggrieved Employees ("Total PAGA Workweeks") between March 26, 2021 and January 4, 2022. The Claims Administrator will use the following formula to determine each PAGA Aggrieved Employee's estimated PAGA Payment: Estimated

Questions? Contact the Settlement Claims Administrator toll free at 1-*-***-******

individual PAGA Payment = (\$25,000 ÷ Total PAGA Workweeks) x individual Workweeks for each individual PAGA Aggrieved Employee. The portion of the PAGA Payment paid to PAGA Aggrieved Employees shall be designated as one hundred percent (100%) penalties, for which an IRS Form 1099 will issue.

Based on your total number of pay periods within the PAGA Period, your portion of the PAGA Payment is \$ _____. You are responsible for paying any federal, state, or local taxes owed because of this PAGA Payment.

Because these penalties can only be sought by the State of California, you cannot exclude yourself from the PAGA portion of the settlement if the Court gives Final Approval. Even if you exclude yourself from the class action portion of the settlement, you will still be paid your portion of the civil penalties described above.

If you were not an hourly-paid or non-exempt employee of Defendant within the PAGA Period of March 26, 2021 and January 4, 2022, you are not a PAGA Aggrieved Employee, and this Section does not apply to you.

Your Options Under the Settlement

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

Option 1 – Submit a Claim Form to Be Eligible for Payment

If you want to receive money from the settlement, you **must** complete and sign the enclosed Claim Form (see prepaid return envelope). You need to complete the Claim Form and promptly mail it or fax it to the Claims Administrator postmarked no later than _____, 2022.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Claims Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written Request for Exclusion must: (a) be signed by you; (b) set forth your name, address, telephone number, and last four digits of your Social Security Number; (c) clearly state the name of this case, the case number, and that the Class Member does not wish to be included in the Settlement; (d) be returned by mail to the Claims Administrator at the specified address and/or facsimile number; and (e) be postmarked on or before the Response Deadline. Sign, date, and mail the Request for Exclusion by First Class U.S. Mail, or equivalent, to the address below.

Claims Administrator

c/o _____

The written request to be excluded must be postmarked not later than _____, 2022. If you submit a Request for Exclusion which is not postmarked by _____, 2022, your Request for Exclusion will be rejected, and you will be included in the settlement class.

Option 3 – File an Objection with the Court

If you wish to object to the settlement because you find it unfair or unreasonable, you may file with the Court an objection stating why you object to the settlement. For the objection to be valid, it must include: (a) your full name, signature, address, and telephone number; (b) a written statement of all grounds for the objection accompanied by any legal support

Questions? Contact the Settlement Claims Administrator toll free at 1-*-***-******

for such objection; (c) a clear reference to the title of this case and case number; and (d) copies of any papers, briefs, or other documents upon which the objection is based. Further, if you intend to appear at the Final Approval Hearing, either in person or through counsel, you must include notice of that fact and state the purpose for your appearance in your objection. The objection must be filed with the Court and served on the attorneys listed below:

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Phillip Song, Esq.
Chancellor D. Nobles, Esq.
JUSTICE LAW CORPORATION
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Class Counsel

Marc S. Hines, Esq.
Nicole M. Hampton, Esq.
HINES HAMPTON PELANDA LLP
30 Executive Park, Suite 210
Irvine, California 92614
Telephone: (714) 513-1122
Counsel for Peterson Brothers Construction, Inc.

All objections must be filed with the Court not later than _____, 2022. Late objections will not be considered. By filing an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described in Option 2 above. Please note that you cannot both object to the settlement and exclude yourself.

You may also, if you wish, appear at the Final Approval Hearing set for _____ at _____ a.m. in the Merced County Superior Court and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

Option 4 – Do Nothing

You may also do nothing in response to this notice. However, if you choose to do nothing, and if the Court grants final approval of the settlement, you will be deemed to have released the Released Claims even though you will not receive money from the settlement. If you do not want to be deemed to have released the Released Claims, you must exclude yourself from the settlement by following Option 2.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. If you choose **Option 4**, you will receive nothing. In addition, under both **Options 1 and 4** (or **3** if the Court approved the Settlement), you will be deemed to have released or waived the following claims

The claims released by the Class Members (“Released Claims”) include, all claims based on the factual or legal theories that were alleged in the operative Complaint to be filed by Plaintiff Lozano and Plaintiff Lozano’s letter to the Labor Workforce & Development Agency (“LWDA”), or reasonably could have been alleged based on the facts, legal theories, Labor Code sections, and primary rights at issue in the Complaint or letters to the LWDA, including the: failure to pay wages, failure to pay overtime; failure to pay minimum wages; failure to provide and record meal periods and provide meal period premium payments; failure to provide rest periods and provide rest period premium payments; failure to provide and maintain compliant wage statements; failure to timely pay wages during employment; failure to timely pay wages upon termination; failure to reimburse necessary business expenses; violations of the unfair competition law, and any other claims or penalties under the wage and hour laws pleaded in the Action.

If you choose **Option 2**, you will no longer be a Class Member and will: (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims; (2) be barred from filing an objection to the settlement; and (3) not receive a payment from the settlement.

Questions? Contact the Settlement Claims Administrator toll free at 1-*-***-******

If you choose **Option 3**, you will still be entitled to the money from the settlement, but only if you complete your Claim Form and postmark it by _____, 2022. Otherwise, if the Court overrules your objection, you will be deemed to have released the Released Claims.

Additional Information

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Claims Administrator at the telephone number listed below, toll free. Please refer to the Peterson Brothers Construction, Inc. class action settlement.

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the Settlement Agreements, and other papers filed in the case. Copies of these documents may be obtained at the Merced County Superior Court Office of the Clerk located at 627 West 21st Street, Merced, California 95340.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT; THE JUDGE; PETERSON BROTHERS CONSTRUCTION, INC.; OR PETERSON BROTHERS CONSTRUCTION, INC.'S ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Claims Administrator toll free at 1-*-***-******

EXHIBIT B

CLAIM FORM
Return This Form To Receive Your Individual Settlement Payment

Jose Lozano v. Peterson Brothers Construction, Inc.
Merced County Superior Court Case No. 22CV-00103

MAIL OR FAX TO:
c/o Claims Administrator
[Address]
Fax: (***) ***-****

Your Claim Form must be completed and received by fax or postmarked on or before [redacted], or it will be rejected.

You are responsible for maintaining a copy of the fully completed Claim Form and proof of fax or mailing. If you move, please inform the Claims Administrator of your new address. It is your responsibility to keep a current address on file with the Claims Administrator.

||||| Claim #
[redacted] First Name, Last Name
[redacted] c/o
[redacted] Address1 Address2
[redacted] City, State, Zip, Country

Name/Address Changes (if any):

() Area Code Home Telephone Number	() Area Code Alternate Telephone Number
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Calculation of Individual Settlement Payments: Each Claimant's share of the settlement is based upon the number of Workweeks he or she worked for Defendant during the period of June 4, 2016, to January 4, 2022("Class Period").

According to records maintained by Peterson Brothers Construction, Inc. ("Defendant"), you worked for Defendant as an hourly-paid or non-exempt employee in California during the period of June 4, 2016, to January 4, 2022. In particular, the available records indicate that you worked for a total of [NUMBER] Workweeks during the Class Period. "Workweeks" means the number of weeks of employment worked for Defendant as an hourly, non-exempt employee in California at any time during the Class Period. Based on the preceding information, your estimated Individual Settlement Payment is [AMOUNT]. Your final actual share may vary depending on the number of Workweeks represented by the Claimants who are participating in this settlement.

If you disagree with the numbers stated above, please explain why you believe the records described above are mistaken, and attach all supporting documentation:

If you dispute the numbers stated above, the records described above will control unless you are able to provide documentation with this Claim Form that establishes otherwise. If there is a dispute about whether Defendant's information or yours is accurate, and the dispute cannot be

CLAIM FORM
Return This Form To Receive Your Individual Settlement Payment

resolved informally, the dispute will be resolved by the Parties. Such a determination by the Parties will be final and binding with no opportunity for further appeal.

Your signature below constitutes a full release, waiver, and discharge of the following claims (“Released Claims”):

The claims released by the Class Members include, all claims based on the factual or legal theories that were alleged in the operative Complaint to be filed by Plaintiff Lozano and Plaintiff Lozano’s letter to the Labor Workforce & Development Agency (“LWDA”), or reasonably could have been alleged based on the facts, legal theories, Labor Code sections, and primary rights at issue in the Complaint or letters to the LWDA, including the: failure to pay wages, failure to pay overtime; failure to pay minimum wages; failure to provide and record meal periods and provide meal period premium payments; failure to provide rest periods and provide rest period premium payments; failure to provide and maintain compliant wage statements; failure to timely pay wages during employment; failure to timely pay wages upon termination; failure to reimburse necessary business expenses; violations of the unfair competition law, and any other claims or penalties under the wage and hour laws pleaded in the Action.

In order to achieve a full and complete release, Defendant, Plaintiff and the Class Members acknowledge that this release is intended to include in its effect all Released Claims described above. The period covered by the Released Claims extends from June 4, 2016, to January 4, 2022.

By signing below, you acknowledge that, if you submit erroneous information in connection with this claim, your claim may be denied in whole or in part.

I declare under penalty of perjury under the laws of the State of California that the information supplied herein by the undersigned is true and correct and that this Claim Form was executed on

_____, 2022 in _____, _____
Date City State

Sign your name here

Print your name here

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On March 16, 2022, I served the foregoing document described as

PROOF OF SERVICE