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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JORGE ARROYO, individually and on behalf of
other individuals similarly situated;

Plaintiff,

v.

ROCKER SOLENOID COMPANY DBA
ROCKER INDUSTRIES, a California
corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. 21STCV14411

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

Action Filed: April 15, 2021

Trial Date: Not Yet Assigned

1 This Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement
2 Agreement”) is made by and between the Plaintiff JORGE ARROYO (“Plaintiff”), on his own
3 behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand,
4 and Defendant ROCKER SOLENOID COMPANY DBA ROCKER INDUSTRIES (“Defendant”)
5 on the other hand (collectively the “Parties”), in the lawsuit entitled *Jorge Arroyo v. Rocker*
6 *Solenoid Company dba Rocker Industries*, filed in Los Angeles County Superior Court, Case No.
7 21STCV14411 (“Litigation”). This Settlement resolves all claims that were asserted or could have
8 been asserted against Defendant pertaining to the claims in the Litigation.

9 **I. DEFINITIONS**

10 **A. “Administration Costs”** means all administrative costs of settlement, including
11 costs of notice to the Settlement Class, settlement administration, and any fees and costs incurred
12 or charged by the Settlement Administrator in connection with the execution of its duties under this
13 Settlement.

14 **B. “Class Counsel” or “Plaintiff’s Counsel”** mean Marcus J. Bradley of
15 Bradley/Grombacher, LLP and Sahag Majarian II of Law Offices of Sahag Majarian II, and all the
16 lawyers of these firms acting on behalf of Plaintiff and the Settlement Class.

17 **C. “Class Members”** means all current and former hourly-paid or non-exempt
18 employees who worked for Defendant within the State of California at any time during the
19 Settlement Period (collectively referred to as the “Class”).

20 **D. “Court”** means the Superior Court of the State of California for the County of Los
21 Angeles.

22 **E. “Effective Date”** means the date on which the Final Approval Order becomes Final.

23 **F. “Final”** means: (1) the date of final affirmation of the Final Approval Order from
24 any appeal, the expiration of the time for, or the denial of, a petition to review the Final Approval
25 Order, or if review is granted, the date of final affirmation of the Final Approval Order following
26 review pursuant to that grant; or (2) the date of final dismissal of any appeal from the Final
27 Approval Order or the final dismissal of any proceeding to review the Final Approval Order,
28 provided that the Final Approval Order is affirmed and/or not reversed in any part; or (3) if no

1 appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the
2 Court's Final Approval Order, as determined under Rule 8.104(a)(3) of the California Rules of
3 Court.

4 **G. "Final Approval Order"** as used herein mean the final formal judgment entered by
5 the Court at the Final Approval Hearing in accordance with the terms herein, approving this
6 Agreement.

7 **H. "Plaintiff"** as used herein means Jorge Arroyo.

8 **I. "Net Settlement Fund"** means the Settlement Amount minus any Court-approved
9 award of Attorneys' Fees to Class Counsel, Litigation Costs to Class Counsel, Administration Costs
10 to the Settlement Administrator, Enhancement Payment to Plaintiff, and LWDA Payment to the
11 Labor and Workforce Development Agency ("LWDA"), and as provided in Sections VIII, IX, and
12 XIV-XVII.

13 **J. "Individual Settlement Payments"** means payments made to the Participating
14 Class Members from the Net Settlement Fund as part of the Settlement.

15 **K. "Settlement"** means the disposition and agreement to resolve the Litigation.

16 **L. "Settlement Administrator"** means ILYM Group, Inc. ("ILYM"), the settlement
17 administrator selected by the Parties, and which will be responsible for the administration of the
18 Settlement Amount, as defined below, and all related matters. The Parties each represent that they
19 do not have any financial interest in the Settlement Administrator or otherwise have a relationship
20 with the Settlement Administrator that could create a conflict of interest.

21 **M. "Maximum Settlement Amount"** means the sum of Two Hundred and Thirty-Five
22 Thousand Dollars (\$235,000.00), which shall be paid by Defendant, and from which all Individual
23 Settlement Payments, Court-approved Attorneys' Fees and Litigation Costs pursuant to Section
24 XIV, Administration Costs pursuant to Section IX, Enhancement Payment pursuant to Section XV,
25 and PAGA Penalties pursuant to Section XVII, except as provided herein.

26 **N. "Settlement Payment"** means the payment of \$235,000.00 due at final approval of
27 the settlement by the court.

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1 **O. “Settlement Class Member”** means a Class Member who does not opt out of the
2 Settlement.

3 **P. “Class Settlement Period”** or **“Class Period”** means the period from April 15,
4 2017 through the date of Preliminary Approval of the Settlement by the court or 90 days from the
5 date of full execution of this settlement agreement, whichever is earlier.

6 **Q. “PAGA Settlement Period”** or **“PAGA Period”** means the period from April 15,
7 2020 through the date of Preliminary Approval of the Settlement by the court or 90 days from the
8 date of full execution of this settlement agreement, whichever is earlier.

9 **R. “Workweeks”** means the number of weeks that a Class Member worked for
10 Defendant as an hourly-paid or non-exempt employee during the Settlement Period (based on the
11 dates of employment in the Class List that Defendant provides to the Settlement Administrator).
12 Each Class Member will be credited with at least one (1) Workweek. A Workweek includes any
13 week in which a Class Member had a time worked entry in Defendant’s timekeeping system.

14 **II. BACKGROUND.**

15 **A.**On April 15, 2021, Plaintiff filed Case No. 21STCV14411 wage and hour class
16 action against Defendant in Los Angeles County Superior Court. On May 18, 2021, Plaintiff filed
17 Case No. 21STCV18833 under the Private Attorneys General Act in Los Angeles County Superior
18 Court. On August 2, 2021, Plaintiff filed a First Amended Complaint as to Case No.
19 21STCV14411. Upon consolidation of the cases in the First Amended Complaint, Plaintiff
20 subsequently filed a motion to dismiss for Case No. 21STCV18833.

21 In the Litigation, Plaintiff alleges, *inter alia*, on behalf of himself and all others similarly
22 situated, that Defendant violated California state wage and hour laws, the California Business and
23 Professions Code Section 17200 *et seq.*, and the Private Attorneys General Act (“PAGA”),
24 California Labor Code Section 2698, *et seq.*, as a result of Defendant’s California wage and hour
25 policies and practices. Specifically, Plaintiff alleges that Defendant violated: (1) California Labor
26 Code sections 200, 226, 1197, and 1198 (failure to pay all hours worked); (2) California Labor
27 Code sections 200, 226.7 and 512 (short and late meal break violations); (3) California Labor Code
28 sections 200 226.7, and 512 (short and late rest breaks); (4) California Labor Code section 226

(failure to furnish accurate, itemized wage statements); (5) California Labor Code sections 201-203 (failure to pay all wages owed at termination); (6) California Labor Code sections 2802 and 2804 (failure to reimburse necessary business expenses); (7) California Business & Professions Code sections 17200, *et seq.*; (8) Civil Code sections 3479 and 3480, Public Nuisance; (9) California Labor Code sections 6400-6403; (10) California Labor Code sections 2350, 6300, 6310, 6400 and Cal. Code Regs. Tit. 8, section 4357 (failure to provide clean and sanitary bathroom facilities); and (11) California Labor Code section 2698-2699, *et seq.* (PAGA).

Class Counsel conducted discovery concerning the claims set forth in the Litigation, such as class datapoints (including the number of putative class members, workweeks, and average hourly rate of pay). Class Counsel also received detailed samples of payroll reports and timekeeping details.

B. Plaintiff and Class Counsel have engaged in good faith, arms-length negotiations with Defendant concerning possible settlement of the claims asserted in the Litigation. The Parties participated in mediation before mediator Mark LeHocky, Esq., on September 1, 2021. Mr. LeHocky is a well-respected wage-and-hour class action mediator, that resulted in settlement of the Litigation memorialized in this Settlement Agreement after extensive negotiations about the terms and conditions of the Settlement at the mediation and during the subsequent drafting of a Memorandum of Understanding which was executed by both Parties in September 2021.

C. Class Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Litigation and has concluded, taking into account the sharply contested issues involved, the defenses asserted by Defendant, the expense and time necessary to pursue the Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by Plaintiff and the members of the Class pursuant to this Agreement, that a settlement with Defendant on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the Class. Plaintiff, on his own behalf and on behalf of the Class, has agreed to settle the Litigation with Defendant on the terms set forth herein.

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1 D. Defendant has concluded that, because of the substantial expense of defending
2 against the Litigation, the length of time necessary to resolve the issues presented herein, the
3 inconvenience involved, and the concomitant disruption to its business operations, it is in
4 Defendant's best interest to accept the terms of this Agreement. Defendant denies each of the
5 allegations and claims asserted against it in the Litigation. However, Defendant nevertheless
6 desires to settle the Litigation for the purpose of avoiding the burden, expense and uncertainty of
7 continuing litigation and for the purpose of putting to rest the controversies engendered by the
8 Litigation.

9 E. This Agreement is intended to and does effectuate the full, final and complete
10 settlement of all allegations and claims that were asserted, or could have been asserted, in the
11 Litigation by Plaintiff and members of the Class as set forth in Section II.A.

12 **III. JURISDICTION**

13 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
14 Litigation includes claims that, while Defendant denies them in their entirety, would, if proven,
15 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
16 final approval of the Settlement and after the Court has ordered the entry of Judgment, pursuant to
17 California Code of Civil Procedure Section 664.6 the Court shall retain jurisdiction of this action
18 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with
19 the terms set forth herein.

20 **IV. STIPULATION OF CLASS CERTIFICATION**

21 The Parties stipulate to the certification of the Class for purposes of settlement only. This
22 stipulation is contingent upon the preliminary and final approval and certification of the Class only
23 for purposes of settlement. Should the Settlement not become final, for whatever reason, the fact
24 that the Parties were willing to stipulate provisionally to class certification as part of the Settlement
25 shall have no bearing on, and shall not be admissible in connection with, the issue of whether a
26 class should be certified in a non-settlement context in the Litigation. Defendant expressly reserves
27 the right to oppose class certification and/or proactively move to deny certification should this
28 Settlement be modified or reversed on appeal or otherwise not become final.

1 **V. MOTION FOR PRELIMINARY APPROVAL**

2 Plaintiff will bring a motion before the Court for an order preliminarily approving the
3 Settlement including the Notice of Class Action Settlement (“Notice”), which is attached hereto as
4 “**Exhibit A**”, and including certification of the Class for settlement purposes only.

5 The date that the Court grants preliminary approval of this Agreement will be the
6 “Preliminary Approval Date.” Class Counsel will prepare the motion for preliminary approval of
7 the Settlement and will provide Defendant’s counsel the opportunity to review it and provide input
8 before it is filed.

9 **VI. STATEMENT OF NO ADMISSION**

10 **A.** Defendant denies liability to Plaintiff and to the Class upon any claim or cause of
11 action. This Agreement does not constitute, and is not intended to constitute, an admission by
12 Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against it
13 in the Litigation.

14 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor any
15 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
16 during the course of the negotiations leading to this Agreement or the Settlement, is intended by
17 the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be
18 admissible in any way in this case or any other judicial, arbitral, administrative, investigative or
19 other forum or proceeding as evidence of any violation of any federal, state, or local law, statute,
20 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The
21 Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in
22 this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
23 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
24 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
25 purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding
26 before the Court that has as its purpose the interpretation, implementation, or enforcement of this
27 Agreement or any orders or judgments of the Court entered in connection with implementation of
28 the Settlement.

1 C. None of the documents produced or created by Plaintiff or the Class in connection
2 with settlement procedures constitute, and they are not intended to constitute, an admission by
3 Defendant of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or
4 executive order, or any obligation or duty at law or in equity.

5 D. The Parties agree that class certification pursuant to California Code of Civil
6 Procedure Section 382 under the terms of this Agreement is for settlement purposes only. Nothing
7 in this Agreement will be construed as an admission or acknowledgement of any kind that any class
8 should be certified or given collective treatment in the Litigation or in any other action or
9 proceeding. Further, neither this Agreement nor the Court's actions with regard to this Agreement
10 will be admissible in any court or other tribunal regarding the propriety of class certification or
11 collective treatment. In the event that this Agreement is not approved by the Court or any appellate
12 court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have
13 waived, limited, or affected in any way any claims, rights, or remedies in the Litigation, and
14 Defendant will not be deemed to have waived, limited, or affected in any way any of its objections
15 or defenses in the Litigation.

16 **VII. WAIVER, RELEASE AND CONFIDENTIALITY**

17 **A. Release As to All Settlement Class Members.**

18 Upon the date on which the Court's Final Approval Order becomes "Final" (as that term is
19 defined in Section I(F) above), Plaintiff and all Settlement Class Members waive, release, discharge
20 Defendant, and its divisions, affiliates, predecessors, successors, shareholders, officers, directors,
21 employees, agents, trustees, representatives, administrators, fiduciaries, assigns, subrogees,
22 executors, partners, parents, subsidiaries, joint employers, insurers, clients, customers, suppliers,
23 vendors, and related corporations ("Released Parties") of any and all wage-related claims that were
24 alleged in the Litigation or which could have been alleged in the Litigation based on the facts
25 asserted in the Litigation arising during the Settlement Period, including the following claims,
26 under any legal theory of liability, for: (1) alleged failure to pay all hours worked pursuant to
27 California Labor Code sections 200, 226, 1197, and 1198 and the IWC Wage Orders; (2) alleged
28 failure to provide meal periods pursuant to California Labor Code sections 200, 226.7 and 512 and

1 the IWC Wage Orders; (3) alleged failure to provide rest periods pursuant to California Labor Code
2 sections 200 226.7, and 512 and the IWC Wage Orders; (4) alleged failure to furnish accurate
3 itemized wages statements pursuant to California Labor Code section 226 and the IWC Wage
4 Orders; (5) alleged failure to pay all wages owed at termination pursuant to California Labor Code
5 sections 201-203 and the IWC Wage Orders; (6) alleged failure to reimburse all necessary business
6 expenses pursuant to California Labor Code sections 2802 and 2804 and the IWC Wage Orders;
7 (7) alleged violations of California Business & Professions Code sections 17200, *et seq.*; (8) alleged
8 violations of Civil Code sections 3479 and 3480, Public Nuisance; (9) alleged violations of
9 California Labor Code sections 6400-6403; (10) alleged failure to provide clean and sanitary
10 bathroom facilities pursuant to California Labor Code sections 2350, 6300, 6310, 6400 and Cal.
11 Code Regs. Tit. 8, section; and (11) alleged violations of California Labor Code section 2698-2699,
12 *et seq.* ("Released Claims").

13 **B. General Release by Plaintiff Only.**

14 In addition to the release made in Section VII (A), Plaintiff makes the additional following
15 general release of all claims, known or unknown. Plaintiff releases the Released Parties from all
16 claims, demands, rights, liabilities and causes of action of every nature and description whatsoever,
17 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
18 violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection
19 with Plaintiff's relationship with Defendant as well as any and all acts or omissions by or on the
20 part of Defendant. (The release set forth in this Paragraph B shall be referred to hereinafter as the
21 "General Release.")

22 With respect to the General Release, Plaintiff stipulates and agrees that, upon the date on
23 which the Court's Final Approval Order becomes "Final", Plaintiff shall be deemed to have
24 expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and
25 benefits of Section 1542 of the California Civil Code, or any other similar provision under federal
26 or state law, which provides:

27 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
28 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING

1 **THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD**
2 **HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
3 **THE DEBTOR OR RELEASED PARTY.**

4 Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other
5 than or different from the facts now believed to be true, the release of claims contained herein shall
6 be effective as to all unknown claims.

7 **VIII. SETTLEMENT PAYMENT**

8 **A. Consideration for This Agreement.**

9 As consideration for this Agreement, Defendant will make a settlement payment that totals
10 the Maximum Settlement Amount of \$235,000.00. The payment of the Maximum Settlement
11 Amount represents full and complete settlement of this matter. The Maximum Settlement Amount
12 includes all attorneys' fees and costs, administration costs, enhancement award to the class and
13 PAGA representative, and payment to the California Labor and Workforce Development Agency
14 ("LWDA"). The balance after deduction of attorneys' fees and costs, administration costs, payment
15 to the LWDA, the enhancement awards, will be the Net Settlement Amount. Defendant's employer
16 taxes shall be paid separately and in addition to the Maximum Settlement Amount.

17 **IX. SETTLEMENT ADMINISTRATOR**

18 Plaintiff and Defendant, through their respective counsel, have selected ILYM as a
19 Settlement Administrator to administer the Settlement, which includes but is not limited to
20 distributing and responding to inquiries about the Notice, determining the validity of any disputes
21 and opt-outs, and calculating all amounts to be paid from the Net Settlement Fund. Charges and
22 expenses of the Settlement Administrator, estimated to be no more \$7,000.00, will be paid from the
23 Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the
24 allocated \$7,000.00 will be paid from the Settlement Amount. If the actual Administration Costs
25 are less than the Parties' estimation, the difference between the actual and estimated Administration
26 Costs will be part of the Net Settlement Fund. The Parties agree that this Agreement may be
27 provided to the Settlement Administrator to effectuate its implementation of the settlement
28 procedures herein.

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1 **X. NOTICE, OBJECTIONS AND EXCLUSION RIGHTS**

2 **A. Notice.**

3 Plaintiff and Defendant, through their respective attorneys, have jointly prepared the Notice,
4 which in substance will be provided to the Class Members as follows:

5 As soon as practicable following preliminary approval of the Settlement, but no later than
6 thirty (30) calendar days after the Court enters the Order granting preliminary approval of the
7 Settlement, Defendant will provide to the Settlement Administrator the following information for
8 each Class Member: (1) full name; (2) last known home address; (3) last known telephone number;
9 (4) dates of employment with Defendant as an hourly-paid or non-exempt employee; (5) Social
10 Security number; and (6) last known email address. Defendant further agrees to consult with the
11 Settlement Administrator prior to the production date to ensure that the format will be acceptable
12 to the Settlement Administrator. Plaintiff's Counsel shall also receive a redacted Class List that
13 shall only disclose an identification number attributed to each Class Member and their dates of
14 employment.

15 The Settlement Administrator shall run all the addresses provided through the United States
16 Postal Service NCOA database (which provides updated addresses for any individual who has
17 moved in the previous four years who has notified the U.S. Postal Service of a forwarding address)
18 to obtain current address information, and shall mail the Notice to the Class Members via first-class
19 U.S. Mail using the most current mailing address information available, within ten (10) calendar
20 days of the receipt of the Class List from Defendant.

21 The Notice will include information regarding the nature of the Litigation; a summary of
22 the terms of the Settlement; the definition of the Class; a statement that the Court has preliminarily
23 approved the Settlement; the nature and scope of the claims being released; the procedure and time
24 period for objecting to the Settlement, the date and location of the Final Approval Hearing;
25 information regarding the opt-out procedure; the number of Workweeks credited to each Class
26 Member, and the estimated Individual Settlement Payment for the Class Member.

27 If a Notice is returned as undeliverable after the initial mailing, the Settlement Administrator
28 will perform a skip trace in an attempt to locate a more current address. If the Settlement

1 Administrator is successful in locating an updated address, it will re-mail the Notice to the Class
2 Member. Further, any Notices returned with a forwarding address to the Settlement Administrator
3 before the Response Deadline (as defined in Section X.B. below), shall be re-mailed to the
4 forwarding address affixed thereto. With respect to any Notice that is re-mailed, the Response
5 Deadline for the Class Member whose Notice is re-mailed will be extended an additional fifteen
6 (15) calendar days.

7 No later than twenty-five (25) days before the Final Approval Hearing, the Settlement
8 Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting
9 to the completion of the settlement notice administration process, including the number of attempts
10 to obtain valid mailing addresses for and re-sending of any returned Notices, as well as the number
11 of Workweeks Disputes, Requests for Exclusion, and objections received.

12 **B. Objections.**

13 Any Class Member making an objection must not submit a Request to be Excluded (i.e.,
14 must not opt out). To object to the Settlement, a Settlement Class Member may send a written
15 objection to the Settlement Administrator or appear at the Final Approval Hearing with or without
16 submitting a written objection to the Settlement. The Settlement Class Member may appear
17 personally or through an attorney, at his or her own expense, at the Final Approval Hearing to
18 present his or her objection directly to the Court. However, any attorney who will represent an
19 individual objecting to this Settlement must file a notice of appearance with the Court and serve
20 Class Counsel and Defendant's Counsel no later than forty-five (45) calendar days after the Notice
21 was initially mailed to the Class Members ("Response Deadline"). A written objection to the
22 Settlement must: (1) contain the case name and number of the Litigation; (2) contain the Settlement
23 Class Member's name, address, telephone number, signature, and last four digits of his or her Social
24 Security number; (3) clearly state the grounds for the objection; (4) state whether the Settlement
25 Class Member intends to appear at the Final Approval Hearing; and (5) be mailed to the Settlement
26 Administrator, postmarked no later than the Response Deadline. If a Class Member objects to the
27 Settlement, the Class Member will remain a Settlement Class Member and if the Court approves
28 this Agreement, the Settlement Class Member will be bound by the terms of the Settlement and

1 Final Approval Order in the same way and to the same extent as a Settlement Class Member who
2 does not object to the Settlement. The date of mailing of the Notice to the objecting Settlement
3 Class Member shall be conclusively determined according to the records of the Settlement
4 Administrator. The Court retains final authority with respect to the consideration and admissibility
5 of any objections to the Settlement from Settlement Class Members.

6 **C. Opportunity to Be Excluded and Defendant's Opt-Out Threshold.**

7 In order for any Class Member to validly exclude himself or herself from the Settlement
8 (i.e., to validly opt out), a written request for exclusion from the Settlement ("Request to be
9 Excluded") must: (1) contain the case name and number of the Litigation; (2) contain the Class
10 Member's full name, address, telephone number, and last four digits of his or her Social Security
11 number; (3) be signed by the Class Member or his or her authorized representative; (4) contain a
12 clear statement that the Class Member requests to be excluded from the Settlement; and (5) be sent
13 to the Settlement Administrator, postmarked by no later than the Response Deadline. The Notice
14 shall contain instructions on how to opt out.

15 The date of the initial mailing of the Notice, and the date the signed Request to be Excluded
16 was postmarked, shall be conclusively determined according to the records of the Settlement
17 Administrator. Any Class Member who timely and validly submits a Request to be Excluded will
18 not be entitled to an Individual Settlement Payment, will not be bound by the terms and conditions
19 of the Settlement, and will not have any right to object, appeal, or comment thereon.

20 Any Class Member who does not timely submit a Request to be Excluded to the Settlement
21 Administrator will be deemed included in the Settlement in accordance with this Settlement.

22 In the event that five percent (5%) or more of the Class Members exercise their right to
23 exclude themselves and opt out of the Settlement, Defendant retains the exclusive right, but not the
24 obligation, to withdraw from and terminate the Settlement and return all parties back to their same
25 position before the Settlement was reached and the Settlement Agreement was entered into. In the
26 event that Defendant exercises such rights under this paragraph, Plaintiff and Defendant shall
27 resume the Litigation through and until there is a final resolution of the Litigation. Defendant must
28 notify Class Counsel and the Court in writing of such a decision to withdraw and terminate the

1 Settlement no later than five (5) days prior to the date of the Final Approval Hearing. In the event
2 of Defendant's withdrawal, no party may use the fact that the Parties agreed to the Settlement for
3 any reason, and Defendant shall pay all administration expenses incurred through the date of its
4 termination of the Settlement.

5 **D. Cooperation**

6 The Parties and their respective counsel agree not to encourage members of the Class to
7 refrain from participating in the Settlement, to opt out of the Settlement, or to object to the
8 Settlement, directly or indirectly, through any means. However, if a Class Member contacts Class
9 Counsel, Class Counsel may discuss the terms of the Settlement and the Class Member's options
10 with respect to the Settlement.

11 **XI. DISPUTES PROCEDURE**

12 If a Class Member disputes his or her number of Workweeks set forth in the Notice, such
13 Class Member must submit a written Workweeks dispute ("Workweeks Dispute") that: (a) contains
14 the case name and number of the Litigation; (b) contains the Class Member's full name, address,
15 telephone number, signature, and last four digits of his or her Social Security number; (c) contains
16 a statement setting forth the number of Workweeks that such Class Member believes is correct and
17 attaches any relevant documentation in support thereof; and (d) is submitted to the Settlement
18 Administrator by mail, postmarked no later than the Response Deadline. If a Class Member does
19 not dispute his or her number of Workweeks, the number of Workweeks set forth in the Notice will
20 govern the Individual Settlement Payment to the Class Member and such Class Member need not
21 take further action to participate in the Settlement.

22 Upon timely receipt of any such challenge, the Settlement Administrator, in consultation
23 with Class Counsel and counsel for Defendant, will review the pertinent records showing the dates
24 the Class Member worked for Defendant in California and the number of weeks worked, which
25 records Defendant agrees to make available to the Settlement Administrator and Class Counsel.

26 After consulting with Class Counsel and counsel for Defendant, the Settlement
27 Administrator shall compute the number of Workweeks to be used in computing the Class
28 Member's *pro rata* share of the Net Settlement Fund. In the event that there is a disparity between

1 the number of Workweeks a Class Member claims he or she worked during the Settlement Period
2 and the number of Workweeks indicated by Defendant's records, Defendant's records will control
3 unless inconsistent with records provided by the Class Member (or bona fide copies thereof), in
4 which case the records provided by the Class Member will control. The Settlement Administrator's
5 decision as to the total number of Workweeks shall be final and non-appealable. The Settlement
6 Administrator shall send written notice of the decision on any such dispute to the Class Member,
7 to Class Counsel, and counsel for Defendant within ten (10) calendar days of receipt of the
8 Workweeks Dispute.

9 Should any Class Member timely submit a timely Workweeks Dispute with a deficiency,
10 the Settlement Administrator shall, within five (5) calendar days of receipt, send a deficiency
11 notice. The deficiency notice will provide the Class Member the later of the Response Deadline or
12 fourteen (14) calendar days from the mailing of the deficiency notice to postmark a written response
13 to cure all deficiencies. The failure of a Class Member to timely respond to a notice of deficiency
14 shall invalidate the dispute unless all Parties' counsel agree to allow the dispute.

15 **XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

16 **A. Distribution Formula.**

17 Settlement Class Members (i.e., Class Members who do not opt out of the Settlement) will
18 receive a lump sum payment as good and valuable consideration for the waiver and release of
19 Released Claims set forth in Section VII(A), above, in an amount determined by the Settlement
20 Administrator in accordance with the provisions of this Agreement.

21 Each Settlement Class Member's Individual Settlement Payment will be determined as
22 follows:

- 23 1. Defendant will calculate the total number of Workweeks of each Settlement Class
24 Member during the Settlement Period.
- 25 2. The value of each Workweek shall be determined by the Settlement Administrator
26 by dividing the Net Settlement Fund by the total number of Workweeks of all
27 Settlement Class Members ("Workweek Point Value").

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1 3. Each Settlement Class Member's Workweeks will be multiplied by the Workweek
2 Point Value to derive his or her Individual Settlement Payment. Individual
3 Settlement Payments for each Settlement Class Member will be reduced by any
4 required legal deductions for the employee's share of taxes and withholdings on the
5 wages portion of the Individual Settlement Payments.

6 **B. Funding of Settlement.**

7 Within twenty-one (21) calendar days following the Effective Date, Defendant will deposit
8 the Settlement Payment equal to the Maximum Settlement Amount into an interest-bearing account
9 established by the Settlement Administrator. At no time prior to the Effective Date shall Defendant
10 be required to escrow any portion of the Settlement Amount.

11 **C. Time for Distribution.**

12 The Settlement Administrator shall cause the Settlement Amount (inclusive of the Net
13 Settlement Fund, the Court-approved Attorney's Fees and Litigation Costs to Class Counsel, Court-
14 approved Enhancement Payment to Plaintiff, Court-approved Administration Costs to the
15 Settlement Administrator, and LWDA Payment to the LWDA) to be distributed within twenty-one
16 (21) calendar days following the final installment payment as detailed in Section VIII(B) of the
17 Agreement.

18 If an Individual Settlement Payment check is returned to the Settlement Administrator as
19 undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing
20 address by performing a skip trace search and, if another address is identified, shall mail the check
21 to the newly identified address. After the 180-day check-cashing deadline, the attorneys for the
22 parties shall file a stipulation to amend the judgment that sets forth the total amount paid to
23 Settlement Class Members and the amount of unpaid residue, plus any interest on such funds, to be
24 paid to the *cypres*. The funds associated with any Individual Settlement Payment checks remaining
25 uncashed after one hundred and eighty (180) calendar days of mailing shall be paid to Legal Aid
26 Foundation of Los Angeles, after the Court enters an Order approving the parties' stipulation to
27 amend the judgment. The Parties each represent that they do not have any financial interest in Legal

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1 Aid Foundation of Los Angeles or otherwise have a relationship with Legal Aid Foundation of Los
2 Angeles that could create a conflict of interest.

3 **XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

4 The amounts paid under this Agreement do not represent a modification of any previously
5 credited hours of service under any employee benefit plan, policy, or bonus program sponsored by
6 Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or
7 any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant,
8 policies or bonus programs. Any payments made under the terms of this Settlement shall not be
9 applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other
10 form of compensation for the purposes of Defendant's benefit plan, policy or bonus program.
11 Defendant retains the right to modify the language of its benefit plan, policies and bonus programs
12 to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for
13 "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by
14 applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or
15 any other purpose, and that additional contributions or benefits are not required by this Settlement.

16 **XIV. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

17 Defendant shall not oppose an application by Class Counsel for, and Class Counsel shall
18 not seek or receive an amount in excess of 33.33% of the Settlement Amount (i.e., \$78,333.33) for
19 all past and future attorneys' fees necessary to prosecute, settle and administer the Litigation and
20 this Settlement ("Attorneys' Fees"). Additionally, Defendant shall not oppose an application by
21 Class Counsel for, and Class Counsel shall not seek or receive an amount in excess of \$10,000.00,
22 which represents all past and future litigation costs and expenses necessary to prosecute, settle and
23 administer the Litigation and this Settlement ("Litigation Costs"). Any Attorneys' Fees or
24 Litigation Costs awarded to Class Counsel by the Court as part of the Settlement shall be deducted
25 from the Settlement Amount for the purpose of determining the Net Settlement Fund. The "future"
26 aspect of these amounts includes, without limitation, all time and expenses expended by Class
27 Counsel in defending the Settlement and securing preliminary and final approval (including any
28 appeals therein). There will be no additional charge of any kind to either the members of the Class

1 or request for additional consideration from Defendant for such work. The Attorneys' Fees and
2 Litigation Costs shall include all attorneys' fees, litigation costs, and expenses for which Plaintiff
3 and Class Counsel could claim under any legal theory whatsoever with respect to the Litigation.
4 Within twenty-one (21) calendar days following the Effective Date, the Settlement Administrator
5 shall disburse payment to Class Counsel from the Settlement Amount for the Court-approved
6 Attorneys' Fees and Litigation Costs. Should the Court approve a lesser percentage or amount of
7 Attorneys' Fees and/or Litigation Costs than the amount that Class Counsel ultimately seeks, then
8 any such unapproved portion or portions shall be part of the Net Settlement Fund to be distributed
9 to Settlement Class Members on a *pro rata* basis.

10 With respect to the Attorneys' Fees and Litigation Costs to Class Counsel, the Settlement
11 Administrator may purchase an annuity to utilize United States Treasuries and bonds or other
12 attorney fee deferral vehicles, for Class Counsel. Any additional expenses for the purchase of an
13 annuity by the Settlement Administrator shall be paid separately by Class Counsel and shall not be
14 included within the Administration Costs. Defendant and Defendant's counsel shall not be liable
15 for any expenses associated with the purchase of an annuity by the Settlement Administrator.

16 **XV. ENHANCEMENT PAYMENT TO PLAINTIFF**

17 Defendant shall not oppose an application by Plaintiff, and Plaintiff shall not seek or receive
18 an amount in excess of \$5,000.00 for his participation in and assistance with the Litigation
19 ("Enhancement Payment"). Any Enhancement Payment awarded to Plaintiff by the Court as part
20 of the Settlement shall be deducted from the Settlement Amount for the purpose of determining the
21 Net Settlement Fund and shall be reported on IRS Form 1099. If the Court approves an
22 Enhancement Payment of less than \$5,000.00 to Plaintiff, then the unapproved portion or portions
23 shall be part of the Net Settlement Fund to be distributed to Settlement Class Members on a *pro*
24 *rata* basis.

25 **XVI. TAXATION AND ALLOCATION**

26 The Parties agree that all employment taxes and other legally required withholdings will be
27 withheld from payments to the Settlement Class Members and Plaintiff based on the Parties
28 stipulated allocation of the Net Settlement Fund as provided for in this Section.

1 In Defendant's sole discretion, and to which Plaintiff and Class Counsel do not object, the
2 amount of federal income tax withholding will be based upon a flat withholding rate for
3 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
4 supplemented. Income tax withholdings will also be made pursuant to applicable state and/or local
5 withholding codes or regulations.

6 For withholding tax characterization purposes and payment of taxes, the Individual
7 Settlement Payments to Settlement Class Members shall be deemed and are as one-third (1/3 or
8 33%) wages and two-thirds (2/3 or 67%) penalties and interest.

9 Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by
10 the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement, by the
11 Settlement Administrator. If the Code, the regulations promulgated thereunder, or other applicable
12 tax law, is changed after the date of this Agreement, the processes set forth in this Section may be
13 modified in a manner to bring Defendant into compliance with any such changes.

14 Finally, the employer's share of payroll taxes and contributions on the wages portion of
15 Individual Settlement Payments will be paid by Defendant in addition to and not as a deduction
16 from the Settlement Amount.

17 **XVII. PAGA ALLOCATION**

18 In order to implement the terms of this Settlement and to settle claims alleged under the
19 Private Attorneys General Act, California Labor Code section 2698 *et seq.*, the Parties agree to
20 allocate \$10,000.00 from the Settlement Amount as penalties authorized by the PAGA ("PAGA
21 Penalties"). Seventy-five percent (75%), which is \$7,500.00 of the PAGA Penalties will be
22 distributed to the Labor and Workforce Development Agency ("LWDA Payment") and twenty-five
23 25%, which is \$2,500.00, of the PAGA Penalties will be part of the Net Settlement Funds for
24 distribution to the Settlement Class Members. Within twenty-one (21) calendar days following the
25 final installment payment funding the Settlement, the Settlement Administrator shall disburse the
26 LWDA Payment to the LWDA, and Plaintiff's Counsel will provide notice to the LWDA of the
27 fact that the Settlement has been approved by the Court along with a copy of the Final Approval
28 Order through the appropriate LWDA/DIR website.

1 **XVIII. COURT APPROVAL**

2 This Agreement and the Settlement is contingent upon final approval by the Court and entry
3 of judgment. Plaintiff and Defendant agree to take all steps as may be reasonably necessary to
4 secure both preliminary approval and final approval of the Settlement, to the extent not inconsistent
5 with the terms of this Agreement and will not take any action adverse to each other in obtaining
6 approval by the Court, and, if necessary, appellate approval, of the Settlement in all respects.
7 Plaintiff and Defendant expressly agree that they will not file any objection to the terms of the
8 Settlement or assist or encourage any person or entity to file any such objection.

9 In the event it becomes impossible to secure approval of the Settlement, the Parties shall be
10 restored to their respective positions in the Litigation, as of the date on which the Settlement was
11 reached, except as otherwise provided in Section XIX, below.

12 **XIX. MISCELLANEOUS PROVISIONS**

13 **A. Interim Stay of Litigation.**

14 Plaintiff and Defendant agree to the stay of all proceedings in the Litigation, including with
15 respect to California Code of Civil Procedure section 583.310, except such proceedings necessary
16 to implement and complete the Settlement, pending Final Approval of the Settlement by the Court.

17 **B. Interpretation of the Agreement.**

18 This Agreement constitutes the entire agreement between Plaintiff and Defendant. Except
19 as expressly provided herein, this Agreement has not been executed in reliance upon any other
20 written or oral representations or terms, and no such extrinsic oral or written representations or
21 terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree
22 that this Agreement is to be construed according to its terms and may not be varied or contradicted
23 by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State
24 of California, both in its procedural and substantive aspects, without regard to its conflict of laws
25 provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will
26 be resolved solely and exclusively in the Superior Court of the State of California for the County
27 of Sacramento, and Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court
28 over them solely in connection therewith. Plaintiff, on his own behalf and on behalf of the Class,

1 and Defendant participated in the negotiation and drafting of this Agreement and had available to
2 them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant
3 may claim that any ambiguity in this Agreement should be construed against the other.

4 The terms and conditions of this Agreement constitute the exclusive and final understanding
5 and expression of all agreements between Plaintiff and Defendant with respect to the Settlement.

6 **C. Further Cooperation.**

7 Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare
8 and execute all documents, to seek the necessary approvals from the Court, and to do all things
9 reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

10 **D. Confidentiality of Documents.**

11 After the expiration of any appeals period, Plaintiff, the Settlement Administrator, and Class
12 Counsel shall maintain the confidentiality of all documents, deposition transcripts, declarations and
13 other information obtained in the Litigation, unless necessary for appeal or such documents are
14 ordered to be disclosed by the Court or by a subpoena.

15 **E. Counterparts.**

16 The Agreement may be executed in one or more actual or non-original counterparts, all of
17 which will be considered one and the same instrument and all of which will be considered duplicate
18 originals.

19 **F. Authority.**

20 Each individual signing below warrants that he or she has the authority to execute this
21 Agreement on behalf of the party for whom or which that individual signs.

22 **G. No Third-Party Beneficiaries.**

23 Plaintiff, Settlement Class Members, and Defendant are direct beneficiaries of this
24 Agreement, but there are no third-party beneficiaries.

25 **H. Modification.**

26 This Agreement may not be changed, altered, or modified, except in a writing signed by the
27 counsel for the Parties, and approved by the Court. Notwithstanding the forgoing, the Parties agree
28 that any dates contained in this Agreement may be modified by agreement of counsel for the Parties

in writing without approval by the Court if the Parties agree and cause exists for such modification. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

I. Deadlines Falling on Weekends or Holidays.

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

J. Severability.

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

Date: 10/25/2021, 2021

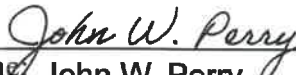
JORGE ARROYO, on behalf of himself and all others similarly situated

DocuSigned by:

 JORGE ARROYO, Plaintiff

Date: 10/11, 2021

ROCKER SOLENOID COMPANY DBA
 ROCKER INDUSTRIES, Defendant


 Name: John W. Perry
 Position: President

1 APPROVED AS TO FORM:

2 Date: 10/25, 2021

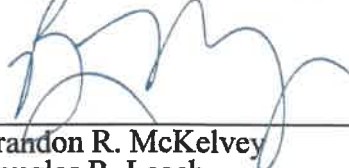
BRADLEY/GROMBACHER, LLP

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4 Marcus J. Bradley
5 *Attorneys for Plaintiff and Proposed Class*
6 Counsel

7 Date: October 11, 2021

MEDINA McKELVEY LLP

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9 Brandon R. McKelvey
10 Douglas R. Leach
11 *Attorneys for Defendant Rocker Industries*
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